

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, 2027, THROUGH DECEMBER 31, 2028

Board Meeting
September 9, 2026

ISSUE

Xpressbet, LLC (Xpressbet), an out-of-state multijurisdictional wagering hub, is requesting renewal of their California Horse Racing Board (Board) approval as an advance deposit wagering (ADW) provider for the period of January 1, 2027, through December 31, 2028.

BACKGROUND

Business and Professions Code (BPC) §19604 states that “the board may authorize a racing association, racing fair, betting system, or multijurisdictional wagering hub to conduct advance deposit wagering in accordance with this section.”

BPC §19604(b)(1) provides that an approved out-of-state 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 organization approvals are submitted by the association or fair as part of its race meet application.

BPC §19604(b)(2) provides that an approved out-of-state ADW provider may accept wagers from California residents on races conducted outside of California if there is a hub agreement between the ADW provider and a racing association or fair conducting racing on the breed on which wagering is conducted, or the appropriate horsemen’s organization.

ANALYSIS

Xpressbet’s current ADW approval is active through December 31, 2026.

Xpressbet is requesting approval to accept wagers from California residents on out-of-state races for the following breeds: Thoroughbred, Quarter Horse, and Standardbred (Harness).

Required Information	Status	Comments	Board Rule/Law
Surety Bond	☒ Accepted ☒ Follow-Up Required ☐ Outstanding	Term of \$500,000 surety bond is from 01/01/26 to 01/01/27.	Rule 2072(b)
Financial Statements	☒ Accepted ☐ Follow-Up Required ☐ Outstanding		Rule 2072(e)

Required Information	Status	Comments	Board Rule/Law
Profit & Loss Statements for California Operations	☒ Accepted ☐ Follow-Up Required ☐ Outstanding		Rule 2072(e)
Business Plan	☒ Accepted ☐ Follow-Up Required ☐ Outstanding		Rule 2072(e)
Plan of Operation	☒ Accepted ☐ Follow-Up Required ☐ Outstanding	Xpressbet submitted a letter dated 06/12/26 notifying the Board of changes to its Plan of Operation related to a new bank (approved during the 09/18/25 Board meeting) and verification platform.	Rule 2073
Security Access Policy	☒ Accepted ☐ Follow-Up Required ☐ Outstanding		Rule 2072(c)
Hub Agreements	☒ Accepted ☐ Follow-Up Required ☐ Outstanding	Thoroughbred: exp. 12/31/26 Quarter Horse: exp. 12/31/26 Standardbred: exp. 12/31/25 Agreements not required for approval of application.	BPC § 19604(b)(2)(B)
Other – Management Personnel Licenses	☒ Accepted ☒ Follow-Up Required ☐ Outstanding	Occupational license(s) must be obtained/renewed prior to and/or renewed during the term of the proposed approval.	Rule 1481(b)(6)
Other – Officers and Directors Licenses	☒ Accepted ☒ Follow-Up Required ☐ Outstanding	Occupational license(s) must be obtained/renewed prior to and/or renewed during the term of the proposed approval.	Rule 1481(b)(2)
Other – Totalizator Contract	☒ Accepted ☐ Follow-Up Required ☐ Outstanding	Agreement with AmTote International, Inc. has open-ended term date. Xpressbet expects to renew a long-term agreement with AmTote.	

RECOMMENDATION

Staff recommends the Board approve the application as submitted.

PRIVATE & CONFIDENTIAL

6/12/2026

Via Electronic Mail

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

Re: Xpressbet, LLC - Notification of new bank; replacement of TransUnion with Persona

Dear Mr. Chaney:

Xpressbet, LLC (“Xpressbet”) has updated its current Plan of Operation previously approved by the Oregon Racing Commission, with the following:

- Effective immediately, Xpressbet/1ST BET, and all operational partners, will be utilizing Western Alliance Bank for all banking needs, , the initial notice of which was sent to CHRB in 2025; and
- Xpressbet is in the process of implementing Persona to replace TransUnion for identity, age & residency verification. Persona is a secure, integrated, and automated identity verification platform that supports global KYC and AML compliance requirements. Persona will centralize customer identity verification and compliance workflows, enabling automated identity reviews, approval and denial decisions, escalation of cases requiring additional review, and comprehensive audit trails throughout the customer lifecycle. Persona will serve as an additional verification tool alongside EVS, helping reduce risk, strengthen fraud prevention efforts, and improve the overall customer verification process.

Please contact me with any questions or concerns regarding the above.

Sincerely,



Senior Vice President of Regulatory Affairs
& Business Development

Cc

Ms. Sandra Shinn, Rhiannon Nix

June 3, 2026

Ms. Rhiannon Nix, Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Alternate Selections for Scratches

Dear Ms. Nix,

Xpressbet, LLC ("Xpressbet") had made following change to its Plan of Operation previously approved by the CHRB in 2022.

As described in Section 4.A. paragraph 4) on page 8 of Xpressbet's Plan of Operations, Xpressbet offers alternate selections on California tracks. This feature allows a horseplayer to have a potential, hand-picked replacement in the event of scratches that occur after a multi-race bet sequence has begun. Whereas the default process is for a horseplayer to receive the wagering favorite in a multi-race bet involving a scratched selection, players on the Xpressbet desktop Wagerpad Pro will have a significant advantage in making their individual second preference.

Please contact me with any questions.

Sincerely,



Gene Chabrier
Vice President of Regulatory Affairs
& Business Development

Cc:
Ms. Sandra Shin, Chief of Licensing

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD (CHRB)
APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING
CHRB-133 (Rev. 12/22)

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, and telephone and fax numbers:

Xpressbet, LLC // 200 Racetrack Rd, Bldg 26, Washington, PA 15301
Office: 724-986-4304 // 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. Please refer to chart below

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
			☐ Yes ☐ No
Richard Peden, General Manager	CA	325550	☒ Yes ☐ No
Keith Johnson, VP	CA	320493	☐ Yes ☒ No
Marie Long, Secretary	CA	410699	☐ Yes ☒ No
			☐ Yes ☐ No
			☐ Yes ☐ No
			☐ Yes ☐ No
			☐ Yes ☐ No

- C. Name, title, and mailing address of the California agent for receipt of service of process: CT Corporation System. 330 N Brand Blvd Ste #700, Glendale, CA 91203
- D. Attach the contract with the California association or fair and/or horsemen's organization, pursuant to Business and Professions Code section 19604(b)(2)(B), that permits you to provide advance deposit wagering services on races conducted outside of California for a specific breed of horse. Attached

Note: Applicant may accept wagers 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 agreement allowing Applicant to accept wagers on the races pertaining to the race meet application, along with the appropriate horsemen's approval, pursuant to Business and Professions Code section 19604(b)(1).

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted: 365 days/year
- B. Hours Advance Deposit Wagering will be conducted: 24 hours/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. List names and CHRB license numbers of all officers and directors. Include titles and the number of shares of the corporation held by each.
5. List 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 which 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 that includes a detailed budget showing 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. List names and CHRB license numbers of all officers and directors. Include titles and the membership interest held by each. Please refer to chart above. NO SHARES are held by officers or directors.
5. List names (true names) of all members, **other than the officers and directors listed above**, that hold a 5% or more membership interest in the LLC and the membership interest held by each. Include each person's CHRB license number. 1ST Technology LLC, sole member; NO SHARES are held by officers or directors.

6. If a membership interest greater than 50% is held by a parent corporation or is paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity. Xpressbet, LLC is a privately-owned entity of TSG Development US Holdings Inc. (The Stronach Group), a Delaware corporation, which holds 100% of the membership interest in the LLC and owns 100 shares.
7. 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 members in the LLC and/or the corresponding state where you registered your LLC. Please see attached, Xpressbet's and Player Management Group's 2024 and 2025 audited financial statements.
8. Applicants not previously licensed by the CHRB to conduct ADW, proceed to subsection 9. 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. Please see attached, Xpressbet's 2024-25 profit and loss statements for CA ADW operations.
9. Attach a business plan that includes a detailed budget showing anticipated revenue, expenditures, and cash flow by month projected for the term of the approval. Please see attached, Xpressbet's 2026-29 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 proprietorship. Include balance sheets, profit and loss statements, and a copy of all reports issued during the preceding 24 months to partners and/or the corresponding state where you registered your partnership, if required.
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. Attach a business plan that includes a detailed budget showing 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 2075.

- A. List the procedures to establish an Account. See attached, Xpressbet's Plan of Operations (Section 3) on pages 5-7.
- B. If an application form is used to establish an Account, attach a copy of the form. See attached customer account setup See attached account setup form.
- C. Name and address of the third party you will use to verify identity, residence, and age: Electronic Verification Systems, LLC at 2500 Technology Drive, Louisville, KY 40299; and TransUnion, LLC at 555 W. Adams St. Chicago IL 60661

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

- A. Submit a copy of your plan for operation. Attached.
- B. List the type of deposits you will accept. See attached Plan of Operations (deposit process on pages 6-7).
- C. Identify any fees or transaction-related charges and the amount that will be assessed. See attached exhibit for 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:
 1. Description of the technology to ensure identity, residence, and age verification when an Account is established: Please refer to page 1 of the attached Exhibit 6.A., Xpressbet's Internet and Telephone Account Security.
 2. Description of the technology to ensure confidentiality of the Means of Personal Identification: Please refer to pages 1-4 of Exhibit 6.A. for Xpressbet's Internet and Telephone Account Security process.
 3. Methods and locations available for Account Holders to withdraw funds from their Account: Please refer to page 3 of Exhibit 6.A. for Xpressbet's Internet and Telephone Account Security process.
 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. Please refer to page 3 of Exhibit 6.A. for Xpressbet's Internet and Telephone Account Security process.

7. PARI-MUTUEL

- A. Name, address, and telephone number of the pari-mutuel audit firm: Bowen & McBeth, 10722 Arrow Route, Suite 110, Rancho Cucamonga, CA 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 Exhibit 7.B for Xpressbet's types of Tote equipment and services provided by AmTote International, Inc.
- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted. See attached Exhibit 7.C. for Xpressbet's list of available tracks.

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 Exhibit 8.A. for Xpressbet's list of third-party vendors.
- 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, 67th Floor, New York, NY 10007, Phone: 212-500-6900; and Agency360, c/o Hawthorne Race Course, 3501 S. Laramie St., Stickney/Cicero, IL 60804, Phone: 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.



Signature

Gene Chabrier, Vice President Regulatory Affairs & Business Dev.

05/15/2026

Print Name

Print Title

Date