STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF WATCHANDWAGER.COM, LLC, AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF TWO YEARS

Board Meeting
November 18, 2026

ISSUE

WatchandWager.com, LLC (Watch and Wager), an out-of-state multijurisdictional wagering hub, is requesting renewal of its 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

Watch and Wager's current ADW approval is active through December 31, 2026.

Required Information	Status	Comments	Board Rule/Law
Surety Bond	☒ Accepted ☒ Follow-Up Required ☐ Outstanding	Term of $500,000 surety bond is from 07/18/26 to 07/18/27.	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		Rule 2073
Security Access Policy	☒ Accepted ☐ Follow-Up Required ☐ Outstanding		Rule 2072(c)
Hub Agreements	☒ Accepted ☒ Follow-Up Required ☐ Outstanding	Thoroughbred: exp. 12/31/27 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		Rule 1481(b)(2)
Other – Totalizator Contract	☒ Accepted ☐ Follow-Up Required ☐ Outstanding	Agreement with AmTote International, Inc. automatically renews annually.	

RECOMMENDATION

Staff recommends the Board approve the application as submitted.

t. 1 415 464 4882
f. 1 859 559 0536
www.watchandwager.com
700 Larkspur Landing Cir, Ste 199
Larkspur, CA 94939

October 1, 2026

VIA ELECTRONIC SUBMISSION

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Reserve Runners

To whom it may concern,

WatchandWager completed development work on alternate runner selections for California tracks in May 2022. The work was released to the live production website in January of 2023. Customers can enable or disable this option from their account preferences page.

This is covered in exhibit 7.2 on page 4. Further information can also be found on our help pages at www.watchandwager.com/help (Placing a Bet).

Regards,

Ed Comins
President
WatchandWager.com LLC

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: WatchandWager.com LLC, 841 Corporate Drive, Suite 205, Lexington, KY 40503, Tel: 415 464 4882 / Fax 859 559 0536

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
			☐Yes ☐No
Edward Comins - President	CHRB	308911	☒Yes ☐No
	NDRC	5106	☐Yes ☐No
			☐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: Edward Comins, President: WatchandWager.com LLC, 841 Corporate Drive, Suite 205, Lexington, KY 40503, Tel: 415 464 4882 / Fax 859 559 0536

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. Exhibit 1 – Hub Agreement and Horseman's Agreement

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: Advanced deposit wagering is conducted 365 per year

B. Hours Advance Deposit Wagering will be conducted: Advanced deposit wagering is available 24/7

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:

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: WatchandWager.com LLC

2. State where articles of organization are filed: Nevada

3. Registry or file number for the LLC: Articles: Nevada, Certificate No: C20100804-2888. North Dakota Certificate of Authority ID#: 2-855-000. California Certificate of Registration, May 2nd, 2012. Kentucky Certificate of Authorization, October 21, 2014. See Exhibit 2 for corporate documents

4. List names and CHRB license numbers of all officers and directors. Include titles and the membership interest held by each. WatchandWager.com Ltd. (UK Company) is the 100% owner of: WatchandWager.com LLC

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. WatchandWager.com Ltd owns 100% of Watch andWager.com LLC. It is a corporate ownership. As a result, no individuals own shares in either WatchandWager.com Ltd or WatchandWager.com LLC

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. The ultimate parent company is Webis Holdings PLC, which owns 100% of WatchandWager.com Ltd
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. Attached (Exhibit 3.1 – Financial Statements): WatchandWager.com LLC Financials 2023.24, 2024.25 and draft accounts for 2025.26 Webis Holdings PLC Annual Report 2025 (Exhibit 3.2)

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. Attached (Exhibit 13)

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. Exhibit 4 - Business Plan

D. OTHER

1. Name(s) of partners/sole proprietor:

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. Exhibit 5 – New account procedures

B. If an application form is used to establish an Account, attach a copy of the form. Exhibit 6 – Online application form

C. Name and address of the third party you will use to verify identity, residence, and age: GBGroup PLC (ID3 Global Verifications). The Foundation, Herons Way, Chester Business Park, Chester, CH4 9GB (UK Headquarters)

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

A. Submit a copy of your plan for operation. Exhibit 7 – Plan of Operation

B. List the type of deposits you will accept. Credit / Debit Card; ACH Bank Transfers; Cash (PayNearMe); Play+ (E-Wallet)

C. Identify any fees or transaction-related charges and the amount that will be assessed. WatchandWager does not charge any fees for processing payments. Some payment providers assess fees for their transactions. Please see Exhibit 8 for a detailed list of payment providers.

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: Exhibit 9 – ID3 Verification Contract (GBGroup PLC)

2. Description of the technology to ensure confidentiality of the Means of Personal Identification: Exhibit 7.2, Page 1-3, Section 4500.1. – System Security

3. Methods and locations available for Account Holders to withdraw funds from their Account: Customers may withdraw funds online using the following

options: ACH Bank Transfer, check and Play+ (E-Wallet), See also Exhibit 8 for details on withdrawal methods

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. Amtote International Maryland Mid-Atlantic Hub 1200 Pepper Rd, Hunt Valley, MD 21031, Phone (410) 785-5134. See also Exhibit 11.1 for fully executed hub agreement

7. PARI-MUTUEL

A. Name, address, and telephone number of the pari-mutuel audit firm: Metwally CPA PLLC – Auditor: 1312 Norwood Dr Ste 100, Bedford TX 76022, 214 200-5434. KPMG – Group Auditor, Heritage Court, 41 Athol St, Douglas IM1 1LA, United Kingdom, +44 1624 681000. CHRIMS – US Settlements, 6801 Koll Center Parkway, Suite 140, Pleasanton CA 94566, 925 307-7020

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: Amtote Spectrum Hub Hunt Valley, MD. Amtote International. Auto renews annually

C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted. Exhibit 10 – Track Locations

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. Website development and software: i-Neda Ltd, The Hub IQ Farnborough, Hampshire GU14 7JP, UK +44 1252 701010 Exhibit 11.2

B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed. None

9. ADVERTISING

Name and address of the advertising agency you will use: WatchandWager does not use a specific advertising agency, but does have a contract with AretoNet Ltd for retention-based marketing

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.

X pp

Signature

Terri Harrison	VP Retail Ops	10.22.26
Print Name	Print Title	Date