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

Board Meeting
November 18, 2026

ISSUE

Lien Games Racing LLC (Lien Games), 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

Lien Games' 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 12/31/26 to 12/31/28.	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	Harness: exp. 12/31/28 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 expires 12/31/29.	

RECOMMENDATION

Staff recommends the Board approve the application as submitted.

September 24, 2026

California Horse Racing Board

1010 Hurley Way, Suite 300

Sacramento, CA 95825

RE: Functionality to accept alternate selections for scratched horses.

In conjunction with our tote provider, Amtote International, we made alternate selections for scratched horses available in February of 2024. Any of the track/bet types within the Amtote system that are currently accepting alternate entries for scratched runners are now available within our customer interface. Customers now have the ability to choose one alternate runner to replace their existing selection in the event of a scratch in each leg of the available bet type.

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:

Lien Games Racing LLC
PO Box 1029
Fargo, North Dakota 58107
218-422-9004 Voice, 866-500-5764 Fax

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
Kevin J. Hall	North Dakota	CA 308938	X Yes ☐No
Kathy Mawicke	North Dakota	CA 321310	X Yes ☐No
			☐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:

Adam Humphrey, Senior Accountant
Potent Systems LLC
625 Shrader Street, Suite 1
San Francisco, California 94117

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.

See Tab 3 for Harness Hub Agreement with Watch and Wager. Lien Games is currently pursuing a Thoroughbred Hub Agreement and will be supplied to the Board upon receipt. Lien Games Racing understands that no wagering out-of-state thoroughbred tracks may be offered to California customers until a thoroughbred hub agreement is in place.

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:

Wagering will be offered every day of the year.

B. Hours Advance Deposit Wagering will be conducted:

Wagering will be offered every day of the year, with wagering each day beginning prior to the first race offered for the day and concluding with the start of the last race offered for the day.

3. BUSINESS STRUCTURE

A. □ Corporation (complete subsection B)

X 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:

Lien Games Racing LLC

2. State where articles of organization are filed:

North Dakota

3. Registry or file number for the LLC:

North Dakota ID: 21381200, North Dakota SOS Control ID #0000081084

4. List names and CHRB license numbers of all officers and directors. Include titles and the membership interest held by each.

Kevin J. Hall, President, California License #308938. Kevin J. Hall owns .01% of Lien Games Racing LLC and 100% of K2 Investments, which owns 99.99% of Lien Games Racing LLC

Kathy Mawicke, Secretary/Treasurer California license #321310

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.

None

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.

K2 Investments LLC owns 99.99% of Lien Games Racing LLC. Kevin J Hall owns 100% of K2 Investments LLC

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.

See Tab 5 for the previous two years financial statements. No reports are provided to shareholders, or to federal or state securities commissions.

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.

See Tab 5. The methodology used for the California Income Statement as follows: Tote fee and CHRIMS settlement costs are a fixed percentage. Marketing Commissions per agreement are a fixed percentage. Administrative Salaries and payroll taxes are allocated as a portion of the overall expenses.

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.

Business plan attached as Tab 6.

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.

All accounts are initiated online before any wagering is conducted. Accounts for California residents will only be established in the name of a natural person and will be non-transferable. Individuals will be required to self-certify that they are not prohibited from wagering under Rule 1980. Information required to establish an Account will include (1) account holder's full legal name, (2) principal residence address, (3) telephone number, (4) Social Security number or last 4 digits of Social Security number, (5) identification or certification to prove the account holder is at least 18 years of age, and (6) whether the account holder wants to use a credit card to make deposits to their account. Lien Games Racing LLC will employ electronic verification with respect to each account holder's name, principal residence address, date of birth and Social Security number at the time account is established, using IDology or Verated. An account will not be activated if the information supplied is untrue or incomplete. When established, Lien Games Racing LLC will designate an account number for each account. The number will not be changed unless the account holder is informed prior to any change. The account holder will select or be assigned a unique user name or number to use to access their account, along with a password. Lien Games Racing LLC will inform the account holder of the assigned account number and provide a copy of its Advance Deposit Wagering procedures, terms and conditions as well as information that pertains to the operation of the Account Lien Games Racing LLC will comply with Internal Revenue Service (IRS) requirements for reporting and withholding proceeds from Advance Deposit Wagers by account holders and shall provide to account holders who are subject to IRS reporting or withholding, a Form W2-G summarizing the information for tax purposes. Upon written requests, Lien Games Racing LLC will provide account holders with summarized tax information on Advance Deposit Wagering activities.

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

All registrations are done online and there are no forms utilized which are to be sent in.

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

Either IDology, headquartered at 2018 Powers Ferry Road, Suite 720, Atlanta, Georgia 30339 (www.idology.com) or Verated Technologies LLC's Age and Identity Solution, located at 500 Frank W. Burr Boulevard, Teaneck, New Jersey 07666, is used to verify identity, residence and age.

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

A. Submit a copy of your plan for operation.

Plan of Operation of Advance Deposit Wagering Accounts, attached at Tab 7.

B. List the type of deposits you will accept.

Credit Cards: Visa, Mastercard, American Express
Online Banking ACH: Customers can have deposits debited from their checking account and credited to their wagering account (ACH).
PayNearMe and Green Dot MoneyPak: Customers can visit a variety or retailers throughout California, including CVS, Family Dollar and 7Eleven, where they can pay cash and a convenience fee, for which they will receive a unique code, which funds can be credited to their wagering account
PayPal: Customers can use PayPal to fund their wagering account
Venmo: Customers can use their Venmo account to fund their wagering account
BitCoin: Customers can use the BitCoin network to fund their wagering account
Walk-Up Deposits: Customers can make deposits at Bank of America and Wells Fargo, which are then credited to their wagering account.
Wire transfers, Paper Checks and Money Orders

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

There are no fees or charges imposed by Lion Games Racing LLC in connection with submitting a wager, or when making a deposit using PayNearMe, Green Dot MoneyPak, Walk-up bank deposit, paper or electronic check, Bitcoin or Online banking. There is a 4.5% fee charged by Lien Games, with a minimum fee of $5.00 when making a credit card deposit. There is a fee of 4.25% + $0.50 that is passed on to the consumer from our providers for PayPal and Venmo deposits. There is a $20.00 fee for processing wire transfer deposits of less than $1,000.00.

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:

Security Access Policy and Safeguards, attached at Tab 8.

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

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

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

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.

7. PARI-MUTUEL

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

CHRIMS, Inc.
PO Box 255563 Sacramento, CA 95825
Phone 925-307-7019.

CHRIMS provides auditing services to the North Dakota Racing Commission, which includes an audit of Lien Games Racing's wagering reports submitted to and pari-mutuel taxes paid to North Dakota.

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:

Totalizator services and equipment supplied by AmTote International, 11200 Pepper Road, Hunt Valley, MD 21031, (904) 278-9077, under contract expiring on December 31, 2029. In addition, Potent Systems LLC under contract with an expiration date of December 31, 2027, provides technology which interfaces between the consumer and AmTote's wagering hub.

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

See Tab 9 for list of tracks on which wagering is offered. This same list of tracks would be offered to California residents, with the exception of Monarch tracks, whose contract currently precludes Lien Games from accepting wagers on Monarch tracks from residents of California.

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.

Thoroughbred Data: Equibase Company LLC
Harness Data: Trackmaster (AXCIS Information Network, Inc.)
Thoroughbred Data: TrackData Systems
Technology, Marketing and Consulting:
Potent Systems LLC for RaceBetWin.com, 7750 Okeechobee Blvd. Ste 3020, West Palm Beach, FL.
Kernel System for www.OffTrackBetting.com, 220 Emerald Vista Way, Las Vegas, NV.
Sportech Venues Inc for MyWinners.com 600 Long Wharf Dr. New Haven,CT
Iron Bets LLC for IronBetsRacing.com 2 Central Ave, Ste 38 Madison, NJ
Nineco Interactive Inc for Luckyhorseshoegaming.com 330 Cochitiate Rd, Framingham, MA
Communication and Video Streaming: Roberts Communication

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

9. ADVERTISING

Name and address of the advertising agency you will use:

Kernel Systems for OffTrackBetting.com, 220 Emerald Vista Way #245, Las Vegas, NV
Iron Bets LLC for IronBetsRacing.com, 2 Central Ave, Ste 38, Madison, NJ
Potent Systems LLC for RaceBetandWin.com, 7750 Okeechobee Blvd. Ste 3020, West Palm Beach, FL.
Sportech Venues for MyWinners.com, 600 Long Wharf Dr., New Haven, CT
Nineco Interactive Inc. for Luckyhorseshoegaming.com, 330 Cochitiate Rd, Framingham, MA

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

Signature

Kevin J. Hall	President	10/25/2026
Print Name	Print Title	Date