CALIFORNIA HORSE RACING BOARD
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## REGULAR MEETING

of the California Horse Racing Board will be held, Thursday, August 17, 2006, commencing at 10:00 a.m., at the Del Mar Surfside Race Place, (Downstairs General Admission Area) 2260 Jimmy Durante Blvd., Del Mar, California. The meeting will open at 10:00 a.m., then the Board will adjourn into Executive Session with the regular meeting commencing at approximately $10: 30 \mathrm{a} . \mathrm{m}$.

## AGENDA

## Action Items

1. Approval of the minutes of the regular meeting of July 20, 2006.
2. Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Fresno District Fair (F) at Fresno, commencing October 4 through October 15, 2006, inclusive.
3. Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Oak Tree Racing Association (T) at Santa Anita, commencing September 27 through October 29, 2006, inclusive.
4. Public hearing by the Board on the adoption of the proposed amendment to CHRB Rule 1486, Term of License, to change the expiration date of one-year licenses from December 31 to the last day of the birth month of the licensee.
5. Public hearing by the Board on the adoption of the proposed amendment to CHRB Rule 1544, Calling off Race, and CHRB Rule 1658, Vesting of Title to Claimed Horse, to provide that any claims submitted in a race that is called off, canceled or declared no contest shall be void.
6. Public hearing by the Board on the adoption of the proposed amendment to CHRB Rule 1733, Whips, to bring the allowed length of a driver's whip in line with the United States Trotting Association (USTA) requirements.
7. Discussion and action by the Board on the matter of: (1) licensing and setting of ADW hub rates and the obligations of ADW companies and or racing associations to have agreements with horsemen's or owner's organizations; (2) TVG and TOC hub fee rate dispute, relating to imported TB races and the propriety of an ADW company to import races without a contract in place with a racing association or horseman's organization of the same breed as the imported races; (3) method of determining, calculating and reserving for rates in dispute; (4) any other related matter considered part of the dispute between any ADW company and any racing association or horsemen's or owner's organization.
8. Discussion and action by the Board on the request of NOTWINC for an adjustment to the stabling and vanning percentage that is withheld from the northern thoroughbred and fair off-track handle.
9. Report by representatives from Hollywood Park and Bay Meadows regarding the results of the experimental temporary suspension of CHRB Rule 1606, Coupling of Horses, at their concluded 2006 Spring Race Meetings.
10. Public hearing by the Board on the adoption of the following actions:
A. Repeal of CHRB Rule 1606, Coupling of Horses, and CHRB Rule 1974, Wagering Interest.
B. Proposed amendment of CHRB Rule 1420, Definitions; Rule 1954.1, Parlay Wagering on Win, Place or Show; Rule 1957, Daily Double; Rule 1959, Special Quinella (Exacta); Rule 1976, Unlimited Sweepstakes; Rule 1976.8, Place Pick (n); Rule 1976.9, Pick (n) Pool; Rule 1977, Pick Three; Rule 1978, Select Four; Rule 1979, Trifecta; and Rule 1979.1, Superfecta.
11. Staff presentation on the monthly statistical report, which includes 2005 vs. 2006 comparison for monthly and year-to-date handle, purses, track commission and attendance information.
12. Discussion on Senate Bill 746 (Vincent), to require a written agreement between quarter horse and harness associations to include impact fees to accept satellite wagering signals.
13. Staff report on following concluded race meets:
A. Hollywood Park Racing Association, LLC at Hollywood Park from April 26 through July 16, 2006.
B. Alameda County Fair at Pleasanton from June 28 through July 9, 2006.
C. Solano County Fair at Vallejo from July 12 through July 24, 2006.

## Committee Reports

14. Report of the Medication Committee

Commissioner William A. Bianco, Chairman
Commissioner John Harris, Member
Chairman Richard B. Shapiro, Member

## Other Business

15. General Business: Communications, reports, requests for future actions of the Board. Note: Persons addressing the Board under this item will be restricted to five (5) minutes for their presentation.
16. Old Business: Issues that may be raised for discussion purposes only, which have already been brought before the Board. Note: Persons addressing the Board under this item will be restricted to five (5) minutes for their presentation.
17. Executive 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. Personnel
B. Board may convene an Executive Session to consider any of the attached pending litigation.
C. The Board may also convene an Executive Session to consider any of the attached pending administrative licensing and disciplinary hearings.

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; fax (916) 263-6042. 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 Jacqueline Wagner.

# CALIFORNIA HORSE RACING BOARD 

Richard B. Shapiro, Chairman
Marie G. Moretti, Vice Chairman John Amerman, Member John Andreini, Member
William A. Bianco, Member
John C. Harris, Member
Jerry Moss, Member
Ingrid Fermin, Executive Director

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Del Mar Surfside Race Place, 2260 Jimmy Durante Boulevard, Del Mar, California, on July 20, 2006.

Present: Richard B. Shapiro, Chairman John Amerman, Member John Andreini, Member William A. Bianco, Member<br>John C. Harris, Member Jerry Moss, Member Ingrid J. Fermin, Executive Director Derry L. Knight, Deputy Attorney General

## MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of June 22, 2006.
Commissioner Bianco motioned to approve the minutes. Commissioner Moss seconded the motion, which was unanimously carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES COUNTY FAIR (F) AT FAIRPLEX, COMMENCING SEPTEMBER 8 THROUGH SEPTEMBER 25, 2006, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Los Angeles County Fair at Fairplex (LACF) proposed to run 16 days, the same number of days as in 2005 , for a total of 201 races, six more than in 2005. Ms. Wagner stated LACF would run concurrently with Pacific Racing Association. The first post time would be $1: 00$ p.m. Monday, Wednesday and Thursday, and 12:00 p.m. Friday, Saturday and Sunday. She said the application was complete and staff recommended the Board approve it as presented. Chairman Shapiro asked if LACF had an agreement in place regarding TC02 testing that would allow the association to place the horses
of any trainer with a positive in a detention barn immediately upon the finding. Jim Henwood of LACF said there was such an agreement. Commissioner Harris asked how that would affect horses stabled at Hollywood Park or Santa Anita. Mr. Henwood said the horses would have to ship into LACF and be placed in a detention barn. Chairman Shapiro commented he noted a projected increase in handle and purse generation of $\$ 300,000$. He asked where the extra money was coming from. George Bradvica of LACF said the 2005 meeting was very successful, so the 2006 purses could be increased. Commissioner Shapiro stated he understood LACF would have cameras and surveillance for all horses that qualify for stakes races. He asked if that was in excess of $\$ 100,000$ or graded stakes. Mr. Bradvica stated LACF did not have graded stakes and would not have camera surveillance at stakes races, but LACF would have camera surveillance in its detention barn. Chairman Shapiro asked how it was determined that stakes surveillance would be limited to graded stakes. Drew Couto of Thoroughbred Owners of California (TOC) said the tightened surveillance requirements originated in the graded stakes committee. In California, the industry met and formulated the current program. Chairman Shapiro stated there would be four stakes over $\$ 100,000$. He asked if they did not warrant video surveillance, whether or not they were graded stakes. Mr. Couto said TOC believed surveillance was a prudent step and would support it. Mr. Bradvica said LACF could make such surveillance available. Mr. Couto stated all the Northern California stakes of $\$ 100,000$ or more had surveillance and video cameras. Chairman Shapiro said he was looking for uniformity and if the north was providing surveillance it should be done throughout the State. Chairman Shapiro added he would ask LACF to employ video surveillance for all races of $\$ 100,000$ or more. Mr. Bradvica said there would be five races
that fell within the criteria, and surveillance would be provided. Commissioner Amerman asked what LACF was doing differently in 2006 with regards to advertising and promotions. Mr. Bradvica said LACF was making a big effort to increase group sales. He stated LACF had an area for group sales that could host up to 4,000 persons during the course of its meeting. In addition, LACF was doing something similar in the box seat section with Top of The Park Terrace. LACF was continuing to look at new eateries and places where patrons could socialize with food and beverages. Mr. Bradvica said LACF was also working on cultural lifestyle events that created dynamic situations in the grandstand. In 2005 LACF used poker and bingo, which created a lot of excitement in the grandstand. In 2006 LACF would use dominos. Commissioner Amerman asked how LACF's advertising budget for 2006 compared to 2005. Mr. Henwood said LACF operated a bit differently as it had a fair component. The challenge was not about attendance, it was bringing the fair attendance to the race meeting. Mr. Henwood stated LACF's 2005 direct advertising budget was about a million dollars, but in 2006 that number increased by $\$ 300,000$. LACF was working to get people in the Southern California marketplace focused on the fair. Once at the fair, attendees were directed into the racing facility in different ways. Commissioner Harris motioned to approve the application to run a horse racing meeting of LACF. Commissioner Amerman seconded the motion, which was unanimously carried. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding video surveillance and Coggin's tests.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING AUGUST 24 THROUGH OCTOBER 15, 2006, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Pacific Racing Association (PRA) proposed to run 36 days for a total of 307 races. Ms. Wagner said the total number of races equated to 8.5 races per day as compared to 8.4 races per day in 2005. The allocated opening date for PRA was August 24; however, PRA proposed to open on August 25, 2006. PRA would run concurrently with Del Mar, the Los Angeles County Fair, Oak Tree Racing Association and the Fresno Fair. Until September 6, the first post time would be 1:45 p.m. From September 8 until October 15 , the first post time would be $12: 45$ p.m. Ms. Wagner stated the application was complete and staff recommended the Board approve it as presented. Chairman Shapiro asked if PRA had a provision in its horsemen's agreement that would require a detention barn for the horses of any trainer with a TC02 positive. Robert Hartman of PRA said there was such an agreement. Chairman Shapiro asked which entities would provide advance deposit wagering (ADW) services. Mr. Hartman stated Express Bet and YouBet would provide ADW, and added the agreements were in place with the horsemen. Chairman Shapiro said he noticed the application had a difference in the purse distribution versus the 2005 purses. He asked if the change in the calendar was the reason for the difference. Mr. Hartman stated that was an issue never faced by Golden Gate Fields, so the figures from the February 2006 to May 2006 meeting were used. He added the difference in days was significant, so there was no applicable comparison. Chairman Shapiro asked how the separate pools listed in the secondary pari-mutuel organization list generated funds for purses to the benefit of California. Andy Kure of Magna Entertainment (MEC) said the separate pools paid a flat fee, or a percentage of
handle for the signal. Chairman Shapiro asked if anyone had looked at the separate pools to ensure the signal was not being used for illegal purposes. Mr. Kure stated MEC did not know if the signals were being pirated. Peter Tunney of PRA said the Board historically vetted the out-of-state and out-of-country locations. Chairman Shapiro asked Mr. Kure to explain how a flat fee was charged. Mr. Kure stated MEC charged 3.5 percent of the estimated handle on a per-day basis. He said Canadian entities provided actual pari-mutuel figures and were charged a flat percentage. Chairman Shapiro asked if the Mexican entities provided pari-mutuel figures. Mr. Kure said they did not. Instead, MEC tried to raise its fees annually - until it got resistance. Commissioner Shapiro said MEC had the ability to cut off the signal and could demand to see the pari-mutuel figures. Mr. Kure said MEC could cut off the signal, but it would take cutting the signal for all of California racing to be effective. Commissioner Harris said the Mexican entities could conduct business without MEC's cooperation, as they were basically bookmakers. Mr. Kure said that was correct; the signal was available through TVG or HRTV. Chairman Shapiro stated he did not want to focus on one location. He said there were a lot of separate pools, and the Board was being asked to approve license applications approving them when he was not sure due diligence had been done. Chairman Shapiro stated he had approached Racing Commissioners International about forming a unit to conduct such diligence because individual States were not able to do it on their own. He added he was concerned that the industry was not seeing its full benefit from such entities. Chairman Shapiro asked if the five-sixteenth-pole camera would be installed. Mr. Hartman said it would be installed. Commissioner Harris stated he thought MEC's guarantee regarding the operation of Golden Gate Fields should be for as long as they own it rather than for the duration of the
meeting. In addition, it should be understood the guarantee was not conditional. Chairman Shapiro asked if the ongoing renovations to the barn area meant two new barns were built, or two barns were renovated. Mr. Hartman said MEC had a "two-new-barn" program in which two new barns were done before each meeting. He stated it was a continuation of the $\$ 5$ million infusion of funds for changes and improvements to the grounds, which began when MEC bought Golden Gate Fields in 1999. Chairman Shapiro asked Mr. Hartman to explain PRA's advertising campaign for the meeting. Mr. Hartman said the major challenge would be the change in dates. Since opening in 1941, Golden Gate Fields had not run in September. That meant a vigorous advertising campaign would commence prior to the meeting. Mr. Hartman stated the opening dates coincided with the start of the college year, so PRA had a strong college program. At U.C. Berkeley there would be an on-campus effort including free admission and discounts on food. PRA was also working with other universities in the area. Commissioner Amerman commented that August through October were ideal months for racing at Golden Gate Fields, as the weather was beautiful. He stated Kneeland also reached out to colleges, and it offered scholarships based on number of attendees. Commissioner Amerman asked how PRA determined its purse numbers. The numbers were dramatically down, and there were not many stakes races. He added unless PRA started thinking positively, it would continue on a downward drift. Mr. Hartman said one reason for the lower purse numbers was the number of days. Commissioner Amerman said the number of days were down by 46 percent versus stakes races down 66 percent and purses down approximately 40 percent. He stated it seemed to him PRA would try to do a little better when it had the best time of year to be racing in Northern California. Mr. Hartman said the unfortunate thing
about the time of year was that it came at the end of the fair meetings, which took a toll on the horse population and made filling races difficult. He stated he agreed with Commissioner Amerman that the dates should be strong, but historically they were not. When Bay Meadows ran in August through October it had difficulty. Mr. Hartman said PRA worked its numbers based on Bay Meadows past performance. Commissioner Amerman said he hoped PRA would work to beat its numbers because he believed they were imminently achievable and could be exceeded. Mr. Hartman stated PRA would work towards higher numbers. He thanked Commissioner Amerman for his comments on the scholarship program, as he thought it was a tremendous idea. Commissioner Harris motioned to approve the application for license to conduct a horse racing meeting of PRA. Commissioner Moss seconded the motion, which was unanimously carried.

REPORT FROM RACING ASSOCIATIONS ON THEIR EFFORTS AND PLANS TO INSTALL NEW TOTALIZATOR TECENOLOGY AT THE RACETRACKS GIVEN THE NUMEROUS PROBLEMS AND DELAYS AND FAILURES.

Tom Varela of Southern California Off-Track Wagering, Inc. said the request for proposal (RFP) process was in motion. In the mean time, an extension of the current contract was enacted after consultation with the totalizator companies. Chairman Shapiro said the Board heard the same discussion in 2005 and he did not understand why nothing had happened. He stated it was a disservice to the fans, and on-track wagering was not being maximized. Chairman Shapiro said he did not want to see the issue drag-on with an RFP process that would take months, with more discussions, and still not produce new equipment at the racetracks. Craig Fravel of Del Mar Thoroughbred Club (DMTC) said the Opera Glass
company was working with the California Marketing Committee (CMC) and the Del Mar Surfside Race Place to test Opera Glass technology. Sixteen fixed touch-screen units were being installed in the VIP suites and at least 20 hand-held units would also be available for testing. Mr. Fravel said the CMC approved funding for software development to integrate the system with Scientific Games. He added close to $\$ 85,000$ worth of wireless infrastructure was installed in DMTC's grandstands so the tests could be conducted. The technology would eventually allow patrons to wager, order food and beverages and access wagering websites for handicapping and other information. Mr. Fravel stated the hand-held units would have live video streamed over the wireless service. He said the industry was working together, and the CMC was funding the software development to coordinate the system, which would be implemented statewide if it proved satisfactory to patrons. Chairman Shapiro said he appreciated the development, but the Opera Glass technology was only one segment of the equation. He stated he visited Keenland and saw new tote equipment that was more efficient and fan friendly and that encouraged patrons to wager more. Chairman Shapiro said 16 months later he still did not know how long before California tracks would have a new tote system. Mr. Fravel said once a selection was made through the RFP process the tote company had to build the machines. In addition, if a different provider were selected, the infrastructure would have to be redone. He stated the RFP would be completed within the next three months, and a decision would be made within another three months, then it would take at least nine months to install a new system. Mr. Fravel said the change would take a lot of planning and effort - including physical changes to facilities and training of mutuel clerks. Commissioner Amerman asked if the industry was working together, or was Mr. Fravel
speaking only for DMTC? Mr. Fravel stated there was a working committee of the Federation of California Racing Associations with representation from the horsemen to put together the terms of the RFP. The RFP would be ready for review in a couple of weeks, and would be distributed as soon as the industry signed off on it. Chairman Shapiro stated he was aware of problems with betting slips being read improperly. He asked if the problem had been resolved. Richard Castro of the Pari-mutuel Employee's Guild (Guild) said he had several conversations with the tote company regarding more than one problem. He stated the issues were being worked out, and suggested the conversations be kept between the Guild and the tote companies. If there were any difficulties, the Guild would bring them to the Board. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding new totalizator equipment. Terry McWilliams of Scientific Games said he understood the Board's frustration with the tote equipment, however, he stated the equipment was not obsolete. Mr. McWilliams discussed several types of hand-held wagering devices, and stated they were ready to be deployed, but were being held back until after opening day at DMTC. Chairman Shapiro said the Board was glad to hear such equipment was available. If patrons did not have to get up from their tables to stand in line and make a wager, the handle would increase and there would be better customer service. Mr. McWilliams said the extension of its contract stipulated Scientific Game's new line of terminals would be deployed. He stated that would take place in Northern and Southern California in the fall.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT TO CHRB RULE 1536, STEWARDS' MINUTES, TO REQUIRE STEWARDS TO REPORT JOCKEY INJURIES TO SPECIFIED PARTIES, PURSUANT TO AB 1180.

Jacqueline Wagner, CHRB staff, said the proposed amendment to Board Rule 1536, Stewards' Minutes, would require the board of stewards to investigate and prepare a report regarding accidents that involve jockeys that occur during the performance of their duties. The proposed amendment, which would bring the regulation into compliance with Assembly Bill 1180, would require that a report on all track accidents involving jockeys be attached to the stewards' minutes and forwarded to interested parties as defined in the regulation. Those parties would include the jockey, the jockey's representative, the Jockey's Guild, and the owner and the trainer of the horse the jockey was riding at the time of the accident. Ms. Wagner stated staff recommended the Board direct staff to initiate a 45 -day public comment period. Chairman Shapiro said he believed drivers should be added to the amendment. Ms. Wagner said staff could make such a change. Commissioner Harris said he was not clear how the Board examined jockeys that were returning to work. Executive Director Ingrid Fermin said jockeys were required to have a medical examination before returning to work. A personal physician conducted the examination or a physician assigned by the track. A signed release would be turned into the Board after the examination. Commissioner Amerman motioned to notice the proposed amendment to Rule 1536 for a 45 -day public comment period. Commissioner Harris seconded the motion, which was unanimously carried.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED ADDITION OF RULE 1689.2, SAFETY REINS REQUIRED, TO REQUIRE THE USE OF SAFETY REINS, PURSUANT TO AB 1180.

Mike Martin, CHRB staff, said Assembly Bill 1180 required the Board to consider whether safety reins would provide jockeys and drivers greater protection. Mr. Martin said the safety rein was basically a rein within a rein: a typical leather rein with a nylon cord with metal clasps at either end stitched inside. The metal clasps would hook to the ring above the bridal, so they were hooked to the bridal independent of the leather. If the leather broke, the nylon would continue to give the jockey or driver control of the horse. Mr. Martin showed a DVD of various incidents involving broken leather reins. Mr. Art Gray, the inventor of the safety rein, provided commentary on the incidents shown in the DVD. He then discussed his experience with horse racing and how and why he developed the safety rein concept. Mr. Gray said the reins were developed for safety, not profit, so no company would have exclusive manufacturing rights to the reins. The cost for the safety rein materials was around $\$ 5$, and the patent fee would be $\$ 3$ to $\$ 5$. With labor, the total cost of reins would increase between 20 percent and 25 percent. Mr. Martin stated he spoke with a company that provides the majority of reins in California and received an estimate of an additional $\$ 10$ to $\$ 15$, plus the patent fee, to manufacture safety reins. Mr. Martin added the main concern of the manufacturer, as well as the research laboratory that tested the reins, was the metal buckle that attached to the rein above the bridle. Mr. Martin said he spoke to industry representatives who did not seem to have any objections to the reins. The California Thoroughbred Trainers stated they would like to see an 18-month introductory period for the reins so trainers would not be forced to replace existing reins immediately. He stated the California Harness Horsemen's Association (CHHA)
indicated its horsemen were opposed to the regulation. The CHHA pointed out that in a thousand races per year a driver's reins rarely broke. In addition the cost was not trivial to some of the harness horsemen. Mr. Gray said he agreed that there should be a period of time before the reins were mandatory. If the Board granted a grace period of 15 months to a year it would give trainers time to replace worn equipment with safety reins. Darrell Haire of the Jockey's Guild said his organization strongly supported the proposed regulation. Chairman Shapiro asked what would happen if the rider fell off the horse and the reins made their way over the horse's head; would that be catastrophic for the horse? Mr. Gray said the nylon cable added 30 to 40 pounds more strength to the rein, so the rein would give. He stated he did not design the safety rein to make reins stronger; instead, they simply enabled the jockey or driver to maintain control of the horse if the leather reins broke. John Sharriffs, a trainer, said one of the reasons trainers liked leather reins is that they would break if a jockey became hung up in them. If the safety rein did not break it could cause real problems. Chairman Shapiro asked if Mr. Gray had data regarding when the safety reins would break. Mr. Gray stated the data indicated the reins would break at around 420 pounds. He said the breaking point was the same as leather reins, which would also break at 420 pounds. Commissioner Harris motioned to direct staff to initiate a 45-day public comment period regarding the proposed addition of Board Rule 1689.2. Commissioner Amerman seconded the motion, which was unanimously carried.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT TO CHRB RULE 1689.1, SAFETY VEST REQUIRED, TO REVISE THE CURRENT CRITERIA FOR SAFETY VESTS WORN BY CALIFORNIA JOCKEYS.

Jacqueline Wagner, CHRB staff, said Board Rule 1689.1, Safety Vest Required, provided that jockeys and apprentice jockeys must wear a safety vest when riding in a race. In addition, the rule required jockeys, apprentice jockeys and exercise riders to wear safety vests when they trained or exercised any horse on the grounds of a racing association or a racing fair. Ms. Wagner stated the rule listed the standards for an acceptable vest, which was the British Equestrian Trade Association (BETA) level five. The BETA standard was revised to a level one, which required that the regulation be amended to reflect the correct standard. In addition, the Jockey's Guild asked that the American Society of Testing Materials Standard (ASTM) also be included as an acceptable vest. The ASTM F1937-4 level was the equivalent of the BETA level one. The addition of the ASTM standard would allow for a greater selection in the safety vests. Ms. Wagner stated staff recommended the Board direct staff to initiate a 45 -day public comment period. Commissioner Moss motioned to direct staff to initiate a 45 -day public comment period regarding the proposed amendment to Board Rule 1689.1. Commissioner Amerman seconded the motion, which was unanimously carried.

DISCUSSION AND ACTON BY THE BOARD ON THE PROPOSED AMENDMENT TO CHRB RULE 1969, WAGERING PROHIBITED, TO ADD SPECIFIED LICENSEES TO THE LIST OF THOSE PRECLUDED FROM WAGERING WHILE ON DUTY.

Jacqueline Wagner, CHRB staff, said the proposal to amend Board Rule 1969, Wagering Prohibited, was discussed at the March 2006 and April 2006 Regular Board Meetings. At the

March meeting questions were raised regarding the need to include certain classes of licensees in the regulation. Ms. Wagner stated the proposed amendment would add security staff, valets, and jockey and driver room attendants to the list of licensees precluded from wagering while on duty. She said security staff was added, as they were often responsible for monitoring the stalls of horses entered to race. Valets and jockey and driver room attendants were added, as they had the ability to place wagers for jockeys and drivers. Pari-mutuel employees were deleted from the regulation; however, the Pari-mutuel Employee's Guild (Guild) requested that such employees not be deleted. Chairman Shapiro said at the April 2006 Regular Board Meeting the Guild requested its members be exempt from the regulation, he asked what had changed. Douglas Kempt of the Guild said his organization concluded it was in its best interest to keep pari-mutuel employees in the regulation. Chairman Shapiro said the item would be deferred.

HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1690.1, TOE GRABS PROHIBITED, TO INCREASE THE MINIMUM HEIGHT OF TOE GRABS ON THE FRONT SHOES OF THOROUGHBRED HORSES TO FIVE MILLIMETERS.

Jacqueline Wagner, CHRB staff, said Rule 1690.1, Toe Grabs Prohibited, was added in February 2006. The regulation prohibited the use of toe grabs over four millimeters in height on thoroughbred horses in a race. After the regulation was effective, it became evident that few manufacturers actually produced toe grabs less than four millimeters. Additionally, shoes with jar calks could include toe grabs with a height greater than four millimeters. The proposed amendment to Rule 1690.1 would increase the minimum height of toe grabs to five millimeters, and would allow thoroughbreds to wear shoes with jar calks that include toe grabs
with a height greater than five millimeters when the track is officially labeled as anything other than fast. Ms. Wagner said staff did not receive any comments during the 45 -day public comment period, and staff recommended the Board adopt the amendment as presented. Chairman Shapiro said he questioned the need to take action, as it did not appear many trainers were using higher toe grabs. In addition, there were no studies regarding synthetic surfaces. Commissioner Harris said the issue was studied for many years, with the conclusion that there were some detrimental effects associated with the higher toe grabs. Chairman Shapiro said he spoke to the horseshoe inspector who reported he was not seeing the higher toe grabs. In light of the pending change in surfaces, Chairman Shapiro stated he was concerned the Board was taking an action it did not need. Commissioner Harris said he would rather see the item tabled and discussed at a future meeting. Perhaps that would provide time for further research. Chairman Shapiro said the item could be tabled until information regarding synthetic racing surfaces could be considered. Commissioner Harris motioned to table the proposed amendment to Board Rule 1690.1. Commissioner Moss seconded the motion, which was unanimously carried.

HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1976.8, PLACE PICK (N), TO REQUIRE NOTIFICATION OF SURFACE CHANGE PRIOR TO CLOSE OF THE PLACE PICK (N) POOL.

Jacqueline Wagner, CHRB staff, said in August 2005 Board Rule 1979, Pick (n) Pool, was amended to provide that if the racing surface changed from turf to dirt, or dirt to turf, in any race of a pick ( n ) wager, and such change was not announced before the close of the pick ( n ) pool, all wagers on the race would be considered winning wagers for the purposes of the pick
(n). It was subsequently determined that the provisions of the amendment to Rule 1979 could be applied to Board Rule 1976.8, Place Pick (n). Ms. Wagner said the proposed amendment to Rule 1976.8 would apply the provisions of Rule 1979 regarding surface changes. Staff received no comments during the 45 -day public comment period, and staff recommended the Board adopt the amendment to Rule 1976.8 as presented. Commissioner Harris motioned to adopt the amendment to Rule 1976.8. Commissioner Moss seconded the motion, which was unanimously carried.

DISCUSSION AND ACTON BY THE BOARD ON THE PROPOSED AMENDMENT TO CHRB RULE 1433, APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING, TO REQUIRE ASSOCIATIONS, UPON INSTALLATION OF A SYNTHETIC TRACK SURFACE, TO SUBMIT CERTIFICATION THAT A DRAINAGE SYSTEM, SUITABLE FOR THE TYPE OF SURFACE HAS ALSO BEEN INSTALLED.

Jacqueline Wagner, CHRB staff, said in May 2006 the Board adopted a regulation requiring certain thoroughbred tracks to install synthetic type racing surfaces not later than January 1, 2008. At the June 2006 Regular Board Meeting the issue of drainage systems for synthetic racetracks was discussed. Industry representatives suggested the issue could be addressed by amending Rule 1433, Application for License to Conduct a Horse Racing Meeting. Ms. Wagner stated the proposed amendment to Board Rule 1433 would require that a racing association that installed a synthetic racing surface must stipulate in its application for license that proper drainage was installed with the synthetic surface. In addition, the association would have to submit supporting documentation with its license application. Ms. Wagner said staff recommended the Board instruct staff to initiate a 45 -day public comment period. Commissioner Moss asked who would determine what proper drainage was. Chairman

Shapiro said the Board was not instituting any criteria regarding proper drainage, as it did not have the expertise. However, the Board wanted to make sure there was a system in place that was adequate, and that the manufacturer certify the system. Deputy Attorney General Derry Knight stated the proposed amendment required certification of the drainage system from an independent consulting engineer. Commissioner Amerman said there were different types of synthetic racing surfaces, but they seemed to be generically called "poly-track." He stated he assumed the different types of tracks would vary, and one of the ideals was surfaces that were compatible from track to track. He said organic dirt tracks currently varied; would the same thing happen with synthetic surfaces? Chairman Shapiro said the tracks probably would vary. However, the Board did not have the authority to - or should - recommend a specific vendor. So, all of the vendors were invited to make presentations to the industry. Chairman Shapiro stated the different synthetic tracks seemed to have the same materials, only in different quantities, and they all incorporated a similar drainage system. Organic dirt tracks varied because of climate and conditions, so would synthetic tracks. Commissioner Amerman said he agreed. However, he wanted to know if the various types of synthetic tracks met the parameters of what the Board was trying to accomplish with such track surfaces. He stated he wanted to make sure the tracks would solve the issues before they were installed because they represented a big investment. Chairman Shapiro said he agreed, but he did not think the Board knew exactly how to answer the question, nor did the tracks. Each track would be different because they would be tailored to meet the needs of the unique circumstances of the location. Santa Anita would have to deal with heat variation, whereas Del Mar or Hollywood Park would not have the same considerations. The common dominator was
that each was a system that included drainage, a base and the top surface, which could be customized. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the certification of synthetic racetrack surface drainage systems, and the possibility that owners would be charged a daily fee in the off-meet to train on synthetic surfaces. Chairman Shapiro motioned to instruct staff to initiate a 45-day public comment period. Commissioner Amerman seconded the motion, which was unanimously carried.

## STAFF PRESENTATION ON THE MONTHLY STATISTICAL REPORT: WHICH INCLUDES YEAR-TO-DATE HANDLE AND ATTENDANCE INFORMATION.

Ysanne Rarick, CHRB staff, said the report made comparisons between June 2005 and June 2006, with a monthly and a cumulative summary. Ms. Rarick added the report also included changes requested at the June 2006 Regular Board Meeting. Chairman Shapiro said it looked like attendance was down statewide, and the harness and quarter horse figures showed a slight increase. He stated he would encourage all Board members to provide input regarding the content of the report so a meaningful look at the direction the industry was taking could be had.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST FROM THE CALIFORNIA AUTHORITY OF RACING FAIRS FOR THE TEMPORARY SUSPENSION OF CHRB RULE 1606, COUPLING OF HORSES, FOR THE NORTHERN CALIFORNIA FAIR MEETS.

Jacqueline Wagner, CHRB staff, said the California Authority of Racing Fairs (CARF) requested a temporary suspension of Rule 1606, Coupling of Horses. Ms. Wagner stated in May 2006 the Board temporarily waived Rule 1606 for the Hollywood Park and Bay Meadows
race meetings. At the June 2006 Regular Board Meeting the rule was temporarily waived for Los Alamitos Race Course. Chairman Shapiro said the waiver of Rule 1606 was an experiment. He stated he did not want to place any entity at a disadvantage, but the experiment was becoming industry-wide. Chairman Shapiro said racing associations had been able - in the past - to request a waiver of Rule 1606 for a particular race. He stated although he would prefer the experiment not be extended to the racing fairs, perhaps the fairs could request waivers for specific races if the conditions of the experimental waiver were followed. Deputy Attorney General Derry Knight suggested the Board delegate authority to grant waivers of Rule 1606 to its Executive Director. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding uncoupling horses. Chairman Shapiro motioned to allow the Executive Director to grant temporary waivers to racing fairs on a case-by case basis for stakes and other races. Commissioner Amerman seconded the motion, which was unanimously carried.

> DISCUSSION AND ACTION BY THE BOARD ON THE NOMINATION OF MEMBERS TO THE BOARD OF DIRECTORS OF THE CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Jacqueline Wagner, CHRB staff, said the California Thoroughbred Horsemen's Foundation (CTHF) was requesting approval of its four nominees for its board of directors. Ms. Wagner stated the nominees were: Mr. Robert Fein; Barbara Scurfield; Dr. Randall Browning and Dr. Rick Arthur. She stated staff recommended the Board approve the request. Commissioner Harris motioned to approve the request of the CTHF to approve the nominations of members of its board of directors. Commissioner Amerman seconded the motion, which was unanimously carried.

# DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE PACIFIC RACING ASSOCIATION TO DISTRIBUTE CHARITY RACING PROCEEDS IN THE AMOUNT OF \$53,637 TO 12 BENEFICIARIES. 

Jacqueline Wagner, CHRB staff, said the Pacific Racing Association (PRA) was requesting approval for distribution of its charity race day proceeds to 12 beneficiaries in the amount of $\$ 53,637$. Ms. Wagner said 76 percent of the proceeds would be distributed to industry-related organizations, and staff recommended approval of the request. Commissioner Amerman asked if there were any guidelines regarding the percentage of charity race day proceeds given to racing-related charities. Ms. Wagner said the law provided for a 50 percent minimum with regards to racing related charities. The minimum, however, was merely a guideline.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE LOS ANGELES TURF CLUB TO DISTRIBUTE CHARITY RACING PROCEEDS IN THE AMOUNT OF \$262,791 TO 37 BENEFICIARIES.

Jacqueline Wagner, CHRB staff, said the Los Angeles Turf Club (LATC) requested approval to distribute charity race day proceeds to 37 beneficiaries in the amount of $\$ 267,791$. Ms. Wagner stated 75 percent of the funds would be distributed to racing related charities, and staff recommended approval of the request as presented. Ron Charles of LATC stated LATC and Golden Gate Fields were donating older equipment to farms that were working with retired horses; he added that if any racetracks had excess equipment some of the farms could use such donations. Commissioner Amerman said he was on the board of several such farms and stated the farms deeply appreciated the help they received from the industry.

## DISCUSSION AND ACTION REGARDING THE DEVELOPMENT OF A CONFLICT OF INTEREST POLICY FOR CHRB BOARD MEMBERS.

Commissioner Harris said the issue was raised in the Legislature in 2005, but the legislation did not go through. He stated he felt a conflict of interest policy was something the Board needed, so the issue was put on the agenda to begin discussion. Chairman Shapiro said a draft conflict of interest policy could be drafted for further consideration.

## STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEET:

 A. SAN JOAQUIN FAIR AT STOCKTON FROM JUNE 14 THROUGH JUNE 25, 2006.Ysanne Rarick, CHRB staff, said the San Joaquin Fair (SJF) ran from June 14 to June 25, for a total of ten days. Ms. Rarick said most of the numbers for the meeting were down. She stated she spoke to Forest White of SJF who stated that out of ten race days, seven were over 100 degrees, and the last four days were 105 degrees. Chairman Shapiro stated the numbers underscored the need to look at how the fairs were working within the racing business. He stated the numbers were dismal, and he understood Vallejo was not having a very good meeting as well. Chairman Shapiro said the fairs could not generate purse revenue to card races for some of the horses, and it was incumbent on the industry to look at the calendar to find ways to create combined fairs at different venues. He added he also thought the Board ought to look at what the fairs were doing to advertise themselves. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the California horse racing industry.

## GENERAL BUSINESS

Melissa Lopez, representing Caliente, said one reason her organization used a separate pool was that it was still operating with the totalizator system that was in use during the pick-six scandal of 2002, and was currently unable to connect with any U.S. systems. In addition, there were tax issues with Panama. Ms. Lopes stated Caliente sent weekly reports on the handle to each of the tracks it accepted the signal from, as well as a calendar that advised the tracks when the signal would be taken.

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.

## Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF

 THE FRESNO DISTRICT FAIR AT FRESNO OCTOBER 4-15, 2006.- Fresno District Fair filed its application to conduct a horse racing meeting at Fresno:
- October 4-15, 2006, or 11 days, the same as 2005. The fair proposes to race a total of 95 races, four less than 2005.
- The proposed race dates are the approved dates allocated to the fair.

| October - 2006 |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| 1 | 2 | 3 |  | 5w | $6{ }^{6} \times 1 \times$ |  |
| 81, | $9 . \mathrm{H}$ | 10 | 11. | 12\% | 13 x | $14{ }^{2}$ |
| 15. | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 |  |  |  |  |

- Racing 6 days the first week and 5 days the second week with 8 races per day Monday and Wednesday, 8 to 9 Thursday, Friday and Saturday and 9 to 10 Sunday.
- Number of horses available determines the number of daily races programmed by breed.
- 2005-average number of runners per race:

Thoroughbred - 7.34, Quarterhorse - 6.4, Arabian - 6.92, Appaloosa - 5.5, Mule - 6.85

- Racing concurrently with Oak Tree Racing Association and Pacific Racing Association [PRA]. PRA will be dark 10/4, 10/5, 10/11 and 10/12.
- First post 12:37 p.m. Saturday and Sunday, 1:30 p.m. Friday and 1:15 p.m. Monday, Wednesday and Thursday.
- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
- Early wagering will not be offered.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

Specific information still needed to complete this application includes:

1. Name of the horseshoe inspector.

## RECOMMENDATION:

Staff recommends the Board approve the application conditioned upon receiving the additional information necessary to conduct the racing meeting.

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting of a California fair as authorized by Article 6.5 of the California Business and Professions (B\&P) Code, Chapter 4, Division 8, Horse Racing Law, and in accordance with applicable provisions and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

## 1. APPLICANT FAIR ASSOCIATION

A. Name, mailing address, telephone and fax numbers of fair:
$21^{\text {st }}$ District Agricultural Association
The Big Fresno Fair
1121 South Chance Avenue
Fresno, Ca. 93702
(559) 650-3247; FAX (559) 650-3226
B. Fair association is $\mathrm{a}: \square$ District Fair $\square$ County Fair $\square$ Citrus Fruit Fair

notice to applicant: Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

## 2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: October $4,5,6,7,8,9,11,12,13,14,15,2006$
B. Dates racing will not be held: Tuesday, October 10, 2006
C. Total number of racing days: 11 Days

## 3. RACING PROGRAM

A. Total number of races: 95
B. Number of races by breed:

C. Number of races daily: $\begin{aligned} & \text { Monday/Wednesday - } 8 \text { Races } \\ & \text { Thursday/Friday/Saturday }-8 \text { to } 9 \text { Races } \\ & \text { Sunday - } 9 \text { to } 10 \text { Races }\end{aligned}$

|  | lst | $2^{\text {nd }}$ |  |  | lst | $2^{\text {nd }}$ | $1^{\text {st }}$ | $2^{\text {nd }}$ | $1^{\text {st }}$ | $2^{\text {nd }}$ | $1^{\text {st }}$ | $2^{\text {nd }}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Sun | Sun. | Monday | Tues. | Wed. | Wed. | Thurs. | Thurs. | Fri. | Fri. | Sat. | Sat. |
| Thoroughbred | 6 | 7 | 5 |  | 4 | 7 | 4 | 5 | 5 | 5 | 5 | 5 |
| Other Breeds | 3 | 3 | 3 |  | 4 | 1 | 4 | 3 | 4 | 4 | 3 | 4 |
| Total | 9 | 10 | 8 |  | 8 | 8 | 8 | 8 | 9 | 9 | 8 | 9 |

D. Total number of stakes races by breed:

| 2 | Thoroughbreds | 1 | Quarter Horses | 0 | Appaloosas |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2 | Arabians | 0 | Paints | 2 | Mules |

E. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each.

Friday, October 6, 2006
Arabians, 3 Years Old \& Up
Six Furlongs
Sunday, October 8, 2006
Mules, 3 Years Old \& Up 350 Yards

Sunday, October 15, 2006 Quarter Horses, Two Years Old 400 Yards

Sunday, October 15, 2006
Mules, 3 Years Old \& Up 440 Yards

Sunday, October 15, 2006 Arabians, 3 Years Old \& Up $11 / 16$ Miles

| California ARC Gold Cup | $\$ 12,000$ Guaranteed <br> (Includes $\$ 2,000$ from ARAC) <br> Noms Close 10/1/06 |
| :--- | :--- |
| AMRA World Championship <br> Futurity | $\$ 10,000$ Guaranteed <br> Noms Close 10/3/06 |
| Fresno Quarter Horse $\$ 10,000$ Guaranteed <br> Futurity  <br> $13^{\text {th }}$ Running Noms Close 10/9/06 |  |
| Fresno AMRA Gold Cup <br> $12^{\text {th }}$ Running | $\$ 10,000$ Guaranteed |
| Noms Close 10/8/06 |  |

## OVERNIGHTSTAKES SCHEDULE

Friday, October 13, 2006
Thoroughbreds, Six Furlongs, 2 Years Old

Sunday, October 15, 2006
Thoroughbreds, 3 Years Old \& Up One Mile

The Harvest Futurity $3^{\text {rd }}$ Running

Bulldog Stakes
$15^{\text {th }}$ Running
$\$ 40,000$ Guaranteed
Noms Close 10/6/06
12 Noon
$\$ 50,000$ Guaranteed
Noms Close 10/9/06 12 Noon
F. Will provisions be made for owners and trainers to use their own registered colors? $X$ Yes $\square$ No If no, what racing colors are to be used:
G. List all post times for the daily racing program:

|  | MON/WED/THURS | FRIDAYS | SATURDAYS | SUNDAYS |
| :---: | :---: | ---: | :---: | :---: |
| $1^{\text {st }}$ | $1: 15$ p.m. | $1: 30$ p.m. | $\mathrm{i} 2: 37 \mathrm{p} . \mathrm{m}$. | $12: 37 \mathrm{p} . \mathrm{m}$. |
| $2^{\text {nd }}$ | $1: 45$ p.m. | $2: 00$ p.m. | $1: 07$ p.m. | $1: 07 \mathrm{p} . \mathrm{m}$. |


| $3^{\text {rd }}$ | $2: 15$ p.m. | $2: 30$ p.m. | $1: 37$ p.m. | 1:37 p.m. |
| :--- | :--- | :--- | :--- | :--- |
| $4^{\text {th }}$ | $2: 45$ p.m. | $3: 00$ p.m. | $2: 07$ p.m. | $2: 07$ p.m. |
| $5^{\text {th }}$ | $3: 15$ p.m. | $3: 30$ p.m. | $2: 37$ p.m. | $2: 37$ p.m. |
| $6^{\text {th }}$ | $3: 45$ p.m. | $4: 00$ p.m. | $3: 07$ p.m. | $3: 07$ p.m. |
| $7^{\text {th }}$ | $4: 15$ p.m. | $4: 30$ p.m. | $3: 37$ p.m. | $3: 37$ p.m. |
| $8^{\text {th }}$ | $4: 45$ p.m. | $5: 00$ p.m. | $4: 07$ p.m. | $4: 07$ p.m. |
| $9^{\text {th }}$ | $* 5: 15$ p.m. | $5: 30$ p.m. | $4: 37$ p.m. | $4: 37$ p.m. |
| $10^{\text {th }}$ | *Thursdays if 9 races are run |  |  | $5: 07$ p.m. |

With the approval of the Board, the Big Fresno Fair will set its post times in a manner that will enhance the California racing product from Santa Anita and Golden Gate Fields.

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813.

## 4. FAIR ASSOCIATION

A. Names of the fair directors:

Debbie Jacobsen, President Jack Hall
Joseph De Los Santos
Allen M. Rush

Larry Serpa, Vice-President Linda Mae Balakian-Hunsucker Ardie Der Manouel Wangyee Vang David C. Yancey

B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program:

## Chief Executive Officer John C. Alkire; Director Ardie Der Manouel

C. Name and title of the fair manager or executive officer and the names and titles of all department managers and fair staff, other than those listed in 9B, who will be listed in the official program:

John C. Alkire, CEO
Richard Horner, Pari-Mutuel Manager Steve Wood, Track Foreman Daniel White, Director of Racing

Stacy Rianda, Deputy Manager II
Anita Ortega, Stable Superintendent
Chuck George, Track Foreman
Dan Brantley, Maintenance Supervisor

## 5. PURSE PROGRAM

## A. Purse distribution:

1. All races other than stakes:

Current meet estimate: $\$ 565,100$
Prior meet actual: $\quad \$ 583,000$
2. Overnight stakes:

Current meet estimate: $\$ 90,000$
Prior meet estimate: $\quad \$ 90,000$
3. Non-overnight stakes:

Current meet estimate: $\$ 54,000$
Prior meet actual: $\quad \$ 30,000$
B. Funds to be generated for all California-bred incentive awards:

Current meet estimate:
\$ 20,200
Prior meet actual:
\$ 9,000
C. Payment to each recognized horsemen's organization contracting with the fair:

Current meet estimate:

| CTT | $\mathbf{\$ 1 , 9 6 3}$ |
| :--- | :--- |
| TOC | $\mathbf{\$ 3 , 9 2 7}$ |
| NTRA | $\mathbf{\$ 5 , 4 8 6}$ |
| PCQHRA | $\mathbf{\$ 9 4 8}$ |
| CWAR | $\mathbf{\$ 1 , 4 3 3}$ |
| ARAC | $\mathbf{\$ 7 , 7 2 3}$ |
| AMRA | $\mathbf{\$ 4 , 8 1 2}$ |
| CHBPAPEN | $\mathbf{\$ 5 , 8 9 0}$ |
| CTHF | $\mathbf{\$ 5 , 8 9 0}$ |
| Total | $\mathbf{\$ 3 8 , 0 7 2}$ |

Prior meet actual:
\$ 1,645
\$ 3,290
\$ 5,756
\$ 895
\$ 1,209
\$ 6,001
\$ 4,800
\$4,935
\$4,935
Total \$33,466
D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen $(5 \mathrm{~A}+5 \mathrm{~B}+5 \mathrm{C})$ :
Current meet estimate: $\quad \mathbf{\$ 7 6 7 , 3 7 2}$
Prior meet actual: \$745,466
E. Purse funds to be generated from on-track handle and intrastate off-track handle:

Current meet estimate: $\quad \mathbf{\$ 4 6 5 , 0 0 0}$
Prior meet actual: $\quad \$ 411,000$
F. Purse funds to be generated from interstate handle:

Current meet estimate: $\quad \$ \mathbf{1 4 5 , 0 0 0}$
Prior meet actual: $\quad \$ \mathbf{2 2 , 0 0 0}$
G. Bank and account number for the Paymaster of Purses purse account:

West America Bank - Account \#0601064512 (CARF)
H. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting: Disher Accountancy Corp., 1816 Maryal Drive, Sacramento, Ca. 95864, (916) 482-4224

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, shall not be deemed as income to the fair and shall, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from offtrack simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt into such liability account. In the event the fair is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting. the fair shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The fair is entitled thereafter to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the fair is entitled to carry forward the deficit to its next succeeding meeting as provided by B\&P Code Section 19615(c) or (d). In the event of underpayment of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after
distribution of amounts due to horsemen and breeders and horsemen's organizations, the fair may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

## 6. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held: $\mathbf{7 8 0}$
B. Minimum number of stalls believed necessary for the meeting: 780
C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: None
D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: N/A
E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site, N/A

Complete subsections F through H if the fair will request reimbursement for off-site stabling as provided by B\&P Code Sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, skip to Section 7.
F. Total number of usable stalls made available on-site for the 1986 meeting: $\mathbf{1 , 0 3 7}$
G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall: N/A
H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: N/A

## 7. PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to B\&P Code Section 19599, and with the approval of the CHRB, fairs may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

TYPE OF WAGERS
Example Race\$1 E; \$1 Double
Exacta (E)
Quinella (Q)
Pick 3 (PK3)
Daily Double (DD)
Trifecta (TRI)
Superfecta (SF)
Place Pick (n) Pool (PPN)
Pick (n) Pool (PNP)
Select 4 (PK4)

APPLICABLE RULES
CHRB \#1959; RCI \#VE
CHRB \#1959
CHRB \#1958
CHRB \#1977
CHRB \#1957
CHRB \#1979
CIHRB \#1979.1
CHRB \#1976.8
CHRB \#1976.9
CHRB \#1978

Race \#1 \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$. 10 SF
Race \#2 \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$. 10 SF
Race \#3 \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$. 10 SF
Race \#4 $\$ 1 \mathrm{E}, \$ 1 \mathrm{PK} 3, \$ 1 \mathrm{PK} 4, \$ 1 \mathrm{PNP}, \$ 1 \mathrm{TRI}, \$ 2 \mathrm{Q}, \$ 2 \mathrm{DD}, \$ .10 \mathrm{SF}$
Race \#5 \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$. 10 SF
Race \#6
Race \#7
Race \#8
\$1E, \$1 PK3 \$1
\$1 E, \$1 PK3, \$1 TRI, \$2 Q, \$2 DD, \$. 10 SF
Race \#9
\$1 E, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF
Race \#10 \$1 E, \$1 TRI, \$2 Q, \$. 10 SF
$\$ 1$ PNP for 8 Race Program
\$1 PNP for 9 Race Program
$\$ 1$ PNP for 10 Race Program
No DD on 8 Race Program
B. Maximum carryover pool to be allowed to accumulate before its distribution or the date(s) designated for distribution of the carryover pool: Last day of race meet, October 15, 2006
C. List any options requested with regard to exotic wagering:
\$1 PNP when applicable; and \$.10 SF when applicable.
D. Will "advance" or "early bird" wagering be offered? $\quad \square$ Yes $\quad \square$ No If yes, when will such wagering begin:
E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games Racing (Autotote), George Brannen, September 30, 2007

## 8. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the fair to conduct simulcast wagering:

California Authority of Racing Fairs;
Northern California Off-Track Wagering, Inc. (NOTWINC)
B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. On file
C. California simulcast facilities the fair proposes to offer its live audiovisual signal: All California Facilities authorized to accept the signal.
D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal: Attached
E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair: Attached
F. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races".
Attached
 in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B\&P Code Section 19596.2(a)(1), (2), (3) and (4).

## 2006 Northern California Racing Fairs - Simulcast

## 8 Simulcast Wagering Program

D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:
E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair.

Prepared 3/29/06

| Separate: |  |
| :---: | :---: |
| Arima Race Club | TRINI |
| Caliente (MIR) | CA |
| Caymanas Park | JAM |
| Flamboro Downs | CAN |
| Fraser Downs | CAN |
| Hastings Entertainment Inc. | CAN |
| Hippodromo Presidente Remon (MIR) | MEX |
| IWS/International Wagering Sytems, Inc. | CA |
| Las Vegas Dissemination Co. | NV |
| Stevenson \& Associates, Inc. | MD |
| Teletheatre BC | CAN |
| Woodbine Entertainment Group | CAN |
| Commingled: |  |
| Acoma Pueblo | NM |
| AmericaTab | OH |
| AmWest Entertainment | SD |
| Arapahoe Park | CO |
| Arlington International Racecourse | IL |
| Atlantic City Casino Assn. | NJ |
| Atlantic City Race Course | NJ |
| Atlantis Paradise Island Casino | FL |
| Atokad Downs | NE |
| Baimoral Park / Maywood | IL |
| Bettor Racing OTB/Royal River | SD |
| Beulah Park | OH |
| Birmingham Race Course | AL |
| Blue Ribbon Downs | OK |
| Bluffs Run Greyhound Park \& Casino | 1 A |
| Boyd Gaming, d/b/a Deita Downs | LA |
| Buffalo Trotting Association | NY |
| Calder Race Course | FL |
| Canterbury Park | MN |
| Capital Regional District OTB | NY |
| Capitol Racing at Western Idaho Fair | ID |
| Capitol Sports Pty Ltd. | AUS |
| Catskill Regional OTB | NY |
| Charles Town Race Course | WV |
| Choctaw Racing Services, LLC | OK |
| Churchill Downs | KY |
| Coeur d' Alene Casino | ID |
| Coeur d' Alene Casino Phone | ID |
| Cosurd' Alene Greyhound Park | ID |
| Comanche Nation Games | OK |
| SonectionOTB | CT |
| Cowus Christi Grephome Rece Tras: | TX |
| Crystal Palace Casino | BA |
| Crystal Palace Casino | BAH |
| Dairyland Greyhound Park | WI |
| Darwin (International) All-Sports | AUS |
| Delaware Park | DE |
| Delta Downs (Boyd Gaming) | LA |
| - 5 | $\cdots$ |


| Downs at Albuquerque | NM |
| :---: | :---: |
| Dubuque Greyhound | IA |
| Elite Turf Club |  |
| Ellis Park | KY |
| Emerald Downs | WA |
| Equus St Thomas Racing | VI |
| Euro Off-Track | FL |
| European Simulco AKA MEC Sport \& Entertainment | $\overline{C A}$ |
| Evangeline Downs | LA |
| Excelsior Casino (Via Suffolk) | AR |
| Fair Grounds Race Course | LA |
| Fair Meadows at Tulsa | OK |
| Fairmount Park | IL |
| Finger Lakes Race Track | NY |
| Fire Lakes Casino | OK |
| Fonner Park | NE |
| Freehold Raceway | NJ |
| Geneva Lakes Kennel Club | WI |
| Gillespie County Fair Race Meet | TX |
| Great Lakes Downs | MI |
| Gulf Greyhound Park | TX |
| Gulf Greyhound Park@ Post Falls | ID |
| Gulfstream Park | FL |
| Harrington Raceway AKA Midway Slots | DE |
| Hawthorne National LLC | L |
| Hazel Park | MI |
| Hinsdale Greyhound Park | NH |
| Holiday Beach |  |
| Hoosier Park | IN |
| Horsemen's Park | NE |
| Indiana Downs | IN |
| International All Sports | OH |
| International Wagering Sytems, Inc. | CA |
| Jackson Harness Raceway | MI |
| Keeneland Association | KY |
| Kentucky OTB's | KY |
| Lebanon Raceway | OH |
| Les Bois Park Simulcast Network | 10 |
| Lewiston Raceways, Inc. | ME |
| Lien Games, Inc. | ND |
| Lincoln Greyhound Park | Ri |
| Lone Star Race Park Ltd. | TX |
| Louisiana Downs (Harrah's) | LA |
| LVDCIAtlantis Paradise Island Casino, Bahamas | NV |
| LVDC/Cities of Gold Sports Bar (Pojoaque), NM | NV |
| 1 VEClComanche Nation Games, OK | NV |
| - ECEme Turclub, Cuacao | NV |
| Urats bakes Enteramment | UV |
| Lvocifouvoods Resoris Casino, | W) |
| LVDC/Holiday Beach, Cuaraco | NV |
| LVDC/Meskwaki Bingo \& Casino, IA | NV |
| LVDCIRed River Casino, OK | NV |
| LVDCISpirit Mountain Casino, OR | NV |
| LVDCTThe Stables, OK | NV |
|  | W |


| Manor Downs | TX |
| :---: | :---: |
| Maryland Jockey Club | MD |
| Meadowlands (NJSEA) | NJ |
| Midway Slots \& Simulcast/Harrington Raceway | DE |
| Montana Simulcast Partners | MT |
| Monticello Raceway | NY |
| Mount Pleasant Meadows | M 1 |
| Mountaineer Park | WV |
| NassaulSuffolk OTB | NY |
| Nevada Pari-Mutuel Association | NV |
| New Jersey Sports \& Exposition Authority | NJ |
| New York City Off-Irack Betting | NY |
| New York Racing Association | NY |
| Newport Jai-Alai | RH |
| Northfield Park | OH |
| Northville Downs | Ml |
| Northville Downs Corp. | MI |
| Oaklawn Park | AR |
| Ocean Downs | MD |
| Penn National Race Course | PA |
| Philadelphia Park | PA |
| Plainridge Race Course | MA |
| Pocono Downs | PA |
| Portland Meadows | OR |
| Prairie Meadows | 1 A |
| Raceway Park | OH |
| Racing \& Gaming Services, Inc. | WI |
| Randall James Racetrck |  |
| Raynham-Taunton Greyhound Park |  |
| Remington Park | OK |
| Retama Park | TX |
| River Downs | OH |
| Rockingham Park | NH |
| Rosecroft Raceway | MD |
| Royal Beach Casino |  |
| Royal River Racing (Bettor Racing OTB) | ID |
| Ruidoso Downs | NM |
| Saginaw Harness Raceway | M |
| Sam Houston Race Park, LTD | TX |
| Saratoga Raceway | NY |
| Scarborough Dowms | ME |
| Scioto Downs | OH |
| Seabrook Greyhound | NH |
| Southland Greyhound Park | AR |
| Sports Creek Raceway | MI |
| State Fair Park | NE |
| Stevenson \& Associates, Inc. (Common) | MD |
| Stevenson \& Associates, Inc., (Books) | MD |
| Suffolk Downs | MA |
| Suffolk Downs OTB | MA |
| Suffolk Regional OTB | NY |
| Sumland Park | NM |
| SunRay Park | NM |
| Tampa Bay Downs | FL |
| The Greyhound Park at Post Falls | 1 D |
| The Mieadows | PA |
| The Pacing Channel, tnc. (Domesto) | OR |
|  | OR. |
|  | TX |
| Thistledown Racing | OH |
| Tote Investment Group |  |
| Tri-State Racetrack \& Gaming Center | WV |
| Turf de Venezuela | VEN |
| Turf Paradise | $A Z$ |
| Turtway Park | KY |
| TGusuot |  |


| U.S. Off Track, LLC | FL |
| :--- | :---: |
| Valley Greyhound Park (Via Sam Houston) | TX |
| Vernon Dowms | NY |
| Western Regional OTB | NY |
| Wheeling Downs | WV |
| Wichita Greyhound Park | KS |
| Wonderland Greyhound Park | MA |
| Woodlands | KS |
| Wyoming OTB | WY |
| XpressBet, Inc | CA |
| Yavapai | AZ |
| Yonkers Raceway | NY |
| Youbet | CA |
| Zia Park Racetrack | NM |

## 2006 Northern California Racing Fairs - Simulcast

## 8 Simulcast Wagering Program

F. List the host tracks from which the fair proposed to import out-of-state and/or out-ofcountry thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

| Arlington Park | $6 / 15-9 / 18 / 06$ | Full or Partial Cards |
| :--- | :--- | :--- |
| Assiniboia Downs | $6 / 15-10 / 16 / 06$ | Full or Partial Cards |
| Australia | $6 / 15-10 / 16 / 06$ | Full or Partial Cards |
| Calder | $6 / 15-10 / 16 / 06$ | Full or Partial Cards |
| Canterbury Park | $6 / 15-9 / 5 / 06$ | Full or Partial Cards |
| Churchill Downs | $6 / 15-7 / 10 / 06$ | Full or Partial Cards |
| Delaware Park | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Ellis Park | $7 / 13-9 / 5 / 06$ | Full or Partial Cards |
| Fort Erie | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Hastings Park | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Hawthorne | $9 / 23-10 / 16 / 06$ | Full or Partial Cards |
| Hoosier Park | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Laurel Park | $8 / 10-8 / 26 / 06$ | Full or Partial Cards |
| Lone Star | $6 / 14-7 / 17 / 06$ | Full or Partial Cards |
| Louisiana Downs | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Meadowlands | $9 / 30-10 / 16 / 06$ | Full or Partial Cards |
| Monmouth Park | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Northlands Park | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| NYRA | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Penn National | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Philadelphia Park | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Pimlico | $9 / 8-10 / 16 / 06$ | Full or Partial Cards |
| Prairie Meadows | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Remington Park | $8 / 5-10 / 16 / 06$ | Full or Partial Cards |
| Suffolk Downs | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Thistledown | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |
| Timonium | $8 / 27-10 / 16 / 06$ | Full or Partial Cards |
| Turfway Park | $9 / 7-10 / 16 / 06$ | Full or Partial Cards |
| Woodbine | $6 / 14-10 / 16 / 06$ | Full or Partial Cards |

## THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races
G. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported: N/A

OTHER BREED SIMULCAST RACES TO BE IMPORTED
Name of Host Track Breed of Horse Race Dates Number of Races to be Imported
H. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in B\&P Code Sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s). N/A

NOTICE TO APPLICANT: All interstate wagering to be conducted by a fair is subject to the provisions of Title 15 , United States Codes, which require specific written approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by a fair is subject to the provisions of B\&P Code Sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

## 9. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)
Clerk of Scales
Clerk of the Course TB
EB
Film Specialist
Horse Identifier
Horseshoe Inspector
Patrol Judge
Paddock Judge/Patrol Judge
Placing Judges
Starter
Timer

Dr. Gary Beck - DVM Track Fitness Veterinarian
Fred Alexander
Dawn Schmidt
Dolores Collins
Danny Winick
Darrell Sparks
TBD
Danny Winick
Mathew Nichols
Charla Dreyer/Joe Gibson/Annette Snezek
Robert Mooneyhan
Melody Truitt
B. Management officials in the racing department:

Director of Racing Daniel White
Racing Secretary Zachary Soto
Assistant Racing Secretary Dee Dee Robinson
Paymaster of Purses Victoria Layne
Otiuns (iduatify by name and title)
C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:

## Esquire Deposition Services, 516 W. Shaw, Suite 200, Fresno, Ca. 93704 (559) 261-2324

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation USA, Bill O'Brien Expires 12/07/07
E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communications, Inc., Jim Porep, April 30, 2008
Equipment Description: 5 cameras - ( 3 towers, 1 pan, 1 hand-held)
F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Permanently installed system-laser, Pegasus Communications, Inc., Jim Porep, April 30, 2008

## 10. SECURITY CONTROLS

A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. Daniel White, Director of Racing Office: (559) 650-3258;
Cell: (559) 994-3104
B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
Grandstand Security Guards - 4 Security Guards plus 2 Fresno Police Department Officers. Stable Gate Area Security Guards, 6 Gatemen; 2 Stable Area Patrol; and 4 Security Guards.

1. Attach a written plan for enhanced security for graded stakes races, and races of $\$ 100,000$ or more, to include the number of security guards in the restricted areas during a 24 -hour period and a plan for detention barns. N/A
2. Detention Barns: N/A
A. Attach a plan for use of graded stakes or overnight races.
B. Number of security guards in the detention barn area during a 24 -hour period.
C. Describe number and location of surveillance cameras in detention barn area.
3. TCO2 Testing:
A. Number of races to be tested, and number of horses entered in each race to be tested. All Thoroughbred races and all horses.
B. Plan for enhanced surveillance for trainers with high-test results.

Trainer with high test results will be moved to the Detention Area.
C. Plan for detention barns for repeat offenders.

Ten (10) stalls adjacent to test barn, which are under 24-hour video surveillance.
D. Number of security personnel assigned to the TCO2 program.

One (1) 24-hour security guard when Detention Stalls are occupied.

## 21st District Agricultural Association The Big Fresno Fair


R. Gastello Asst. Sat. Supvr. (559) 994-3105
M. Cable Security Guard (559) 650-3258
M. Navarro Security Guard (559) 650-3258
C. Describe the electronic security system.

Money Room and Tote Room - security system includes motion censors, door contact sensors monitored by Central Alarm; Money Room Manager carries a panic button. Grandstand -security system includes motion censors, door contacts monitored by ADT Security Service.

1. Location and number of video surveillance cameras for the detention barn and stable gate. Will work with CARF to provide cameras for the detention barn (TC02 Testing Trailer) and will conduct random, security patrols throughout the barn areas in conjunction with CHRB investigators.

## 11. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
American Ambulance, 2911 E. Tulare Street, Fresno, CA 93721 (559) 443-5900
B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: None
C. Attach a fire clearance from the fire authority having jurisdiction over the premises.

Fire Marshall is scheduled to inspect Fresno Fair's portable horse stalls September $19^{\text {th }}, 2006$.
D. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation. Attached
12. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, other than those already identified, and the goods and/or services to be provided by each:

C \& C Concessions, Inc.
Charles A. Giordano, President
P. O. Box 1651

Ontario, Ca. 91762
(909) 816-7052
(Food, Alcoholic and Non-Alcoholic Beverage vendor)
Winner's Circle Restaurant
Don Fowler
1100 Howe Avenue, \#450
Sacramento, Ca. 95825
(Café)
Cal Horse
Rick Harris
26807 Proveda
Mission Viejo, Ca. 92691
(Tip Sheets)

Speeda Sound
Mike King
5617 W. San Madele
Fresno, Ca. 93722
(Sound Equipment)

Bob's Card, Inc.
Tiffany Bohland
6288 Highland Meadows
Medina, OH 44256
(Tip Sheets)
Photos by Frank
Patricia Visco
5024 Katella \#124
Los Alamitos, Ca. 90720
(Winner's Circle Photos)

To: California Horse Racing Board (CHRB)
Attn: Pat Noble
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Re: Big Fresno Fair/21st DAA
1121 S. Chance Avenue
Fresno, CA 93702
Please be advised that the Big Fresno Fair/21st DAA is a member of the California Fair Services Authority (CFSA), and participates in the following self-insurance and loss pooling programs which are administered by CFSA:

## I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

A. Primary Coverage $\$ 1,000,000$ self-insured retention California Fair Services Authority Coverage continuous until cancelled
B. Excess Coverage
$\$ 9,000,000$ in excess of $\$ 1,000,000$
Coverage provided by Insurance Company of the State of Pennsylvania
Term: 01/01/2006 to 01/01/2007

## II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

A. Primary Coverage $\$ 500,000$ self-insured retention California Fair Services Authority Coverage continuous until cancelled
B. Excess Coverage
(a) Workers' Compensation: $\$ 149,500,000$ in excess of $\$ 500,000$
(b) Employers' Liability: $\$ 4,500,000$ in excess of $\$ 500,000$

Coverage provided by California Public Entity Insurance Authority
Term: 07/01/2005 to 07/01/2006
CFSA represents to CHRB that within the above limits, terms and provisions of the coverage stated, to the extent provided by law, CFSA will provide defense, payment, and indemnification on loss funding in accordance with the terms of the contractual assumption of the Big Fresno Fair/21st DAA as set forth in CHRB's "Insurance Requirements".

You will be given at least thirty (30) days notice of any change in the foregoing information. We trust that this commitment will satisfy your insurance requirements.

Please feel free to contact this office on all matters including possible claims.
Sincerely,


Charles A. Mitchell
Risk Manager
A Joint Powers Authority comprised of the State of California, Department of Food \& Agriculture, the counties of Humboldt, Lassen, Madera, Mendocino,
Monterey, Placer, Plumas, San Benito, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma and Trinity, and the California Exposition and State Fair.

Silver Bar Leasing
2445 S. Fruit
Fresno, Ca. 93706
(Portable Stalls)
Bailey Mobile Laundry
Frances Lorene Dutton
1129 Avenida Sevilla \#7-B
Walnut Creek, Ca. 94595-3741
(Jockeys Laundry)

United Puett Start Gate
1 Sound View Loop
South Salem, NY 10590
(Starting Gate)
Daily Racing Form
100 Broadway
New York, NY 10005
Program Printing \& Delivery
NOTWINC
11875 Dublin Blvd.
Dublin, Ca. 94568
(Armored Car Service)
13. ON-TRACK ATTENDANCE/FAN DEVELOPMENT changes made to this section
A. Describe any promotional plans:

All dedicated horse racing television spots are run on local television stations and cable and promotions of the Fresno Fair's Race Meet will also be included in radio spots and all of our publicity materials; Hispanic Announcer on both Sundays.

B Number of hosts and hostesses employed for meeting: 6
C. Describe facilities set aside for new fans: Daily Handi-Capping Seminars
D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:

1. Horsemen - New in 2006, adding more trees to the Infield and on the backside and adding grass and irrigation system in the Infield; offering the Owner/Trainer appreciation BBQ again in 2006 along with special awards give-a-way for Special Trainer, Top Jockey Thoroughbred, Top Jockey Mixed Breed, and Top Groom.
2. Fans - In 2006, expanding the club house seating area on the $4^{\text {th }}$ floor; and added two large fans on the $2^{\text {nd }}$ floor betting area for fair patrons.
3. Facilities in the restricted areas - Rewired phone lines and put in new phones in Racing Secretary's Office; reroofed the Racing Secretary's Office and the Winner's Circle Restaurant; added an outdoor patio for the owners/trainers; painted the Racing Secretary's Office. painted the outside and inside of the Winner's Circle Restaurant and painted murals to brighten up the area with life and color; a new sign for the Winner's Circle Restaurant.

## 14. SCHEDULE OF CHARGES

A. Proposed charges, note any changes from previous year:

| Admission (general) | $-\quad \$ 8.00$ | $\$ 5.00$ Child $\$ 7.00$ Seniors |
| :--- | :---: | :---: | :--- |
| Admission (clubhouse) | $-\quad \$ 5.00$ |  |
| Reserved seating (general) | $-\quad \$ 4.00$ |  |
| Reserved seating (clubhouse) | $-\quad$ N/A |  |


| Parking (general) | - | $\$ 5.00$ |
| :--- | :--- | :--- |
| Parking (preferred) | - | $\$ 7.00$ |
| Parking (Chance Lot) | - | $\$ 10.00$ |
| Parking (valet) | - | N/A |
| Programs (on-track) | - | $\$ 1.00$ |
| $\quad$ (off-track) | - | $\$ 2.00$ |

B. Describe any "Season Boxes" or other special accommodation fees:

Box seats are sold in advance - $\$ 642.00$ (Box of 4)
C. Describe any "package" plans such as combined parking, admission and program: None

## 15. JOCKEYS' QUARTERS

A. Check the applicable amenities available in the jockeys' quarters:

| $\square$ | Corners (lockers and cubicles) |  |  | 22 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| , | Showers | $\geq$ | Steam room, sauna or steam cabinets | 2 | Lounge area |
| > | Masseur | 】 | Food/beverage service | 1 | Certified platform scale |

B. Describe the quarters to be used for female jockeys:

Same as men's quarters. Built in 1990 and 1991. Separate locker rooms, restrooms, sauna room, bunkroom, and shower room for female jockeys.

## 16. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing completed by CHRB Investigator Martin Snezek 8/4/06.
B. Number of rooms used for housing on the backstretch of the racetrack: 106 tack rooms, a possible 54 to be used for housing.
C. Number of restrooms available on the backstretch of the racetrack:

Four trailers-two, 48-foot restroom trailers with five restrooms each available for both men and women; and two, 28 -foot shower trailers with four showers and 1 restroom each available for both men and women.
D. Estimated ratio of restrooms to the number of backstretch personnel:

1 - Receiving Barn; 58 in RV Trailer Park; 3 Portable Toilets (2@Gate \#10; 1 @ Gap)
1 - Racing Secretary's Office; 1 in Winner's Circle Café.
17. TRACK SAFETY
A. Total distance of the racecourse - measured from the finish line counterclockwise ( 3 ' from the inner railing) back to the finish line:

Apdroximatelv 5.129 feet
D. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.

Inner rail, metal (powder coated); outer rail, metal, aluminum \& galvanized chain link; inner rail supports, metal gooseneck; inner rail top shield is made of sheet metal; shield is 39 " above the track surface.
C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Track masters, Inc., Steve Wood
D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. On file
E. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of $\$ 3$ million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. N/A

## 18. DECLARATIONS

A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No Exceptions
B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. On File
C. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): No Exceptions
D. Absent natural disasters or causes beyond the control of the fair, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the fair except as follows (if no exceptions, so state): No Exceptions
notice to applicant: Pursuant to CHRB Rules 1870 and 1871 , the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

## 19. CERTIFICATION BY APPLICANT

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the fair to attest to this application on its behalf.

John C. Alkire
Print Name

Chief Executive Officer
Print Title


Signature
July 3, 2006

Date

## STAFF ANALYSIS

August 17, 2006
Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE OAK TREE RACING ASSOCIATION AT SANTA ANITA SEPTEMBER 27, 2006 THROUGH OCTOBER 29, 2006.

Oak Tree Racing Association filed its application to conduct a thoroughbred horse racing meeting at Santa Anita:

- September 27 through October 29,2006 , or 26 days, 5 less than 2005 . The association proposes to race 224 races, or 8.6 per day. In 2005 they raced 8.61 races per day with an average of 7.86 runners per race.
- The race dates proposed are the dates the Board allocated.

| September - 2006 |  |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|  |  |  |  |  | 1 | 2 |
| 3 | 4 H | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |


| October - 2006 |  |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| 1, | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 H | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 |  |  |  |  |

- Racing 5 days per week, Wednesday through Sunday, with 8 races weekdays, 9 opening day, weekends and Monday, October 9, and 11 Saturday, October 28, California Cup Day.
- Request the option to program 10 races on opening day, weekends and October 9.
- Racing concurrently with the Fresno District Fair and Pacific Racing Association [PRA]. PRA will be dark $10 / 4,10 / 5,10 / 11$ and 10/12.
- First post 1:00 p.m. weekdays except Fridays and 12:30 p.m. weekends and holidays.
- 12:00 p.m. October 28, California Cup Day, and closing day October 29.
- Request Jennifer Paige be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
- Early wagering 8:30 a.m. to 10:00 a.m. each day except California Cup Day.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.


## RECOMMENDATION:

Staff recommends the Board approve the application.

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting in accordance with the California Business and Professions (B\&P) Code, Chapter 4, Division 8, Horse Racing Law, and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

## 1. APPLICANT ASSOCIATION

A. Name, mailing address, telephone and fax numbers of association:

Oak Tree Racing Association<br>Santa Anita Park<br>285 W. Huntington Drive Telephone: 626/574-6345 or 574-7223<br>Arcadia, CA 91007<br>Fax Phone: 626/447-2940

B. Breed of horse: $\quad \mathbf{x} \mathrm{TB} \quad \square \mathrm{QH} \quad \square \mathrm{H}$
C. Racetrack name: Santa Anita Park
D. Attach a certified check payable to the Treasurer of the State of California in the amount of $\$ 10,000$ as deposit for license fees pursuant to B\&P Code Section 19490.
notice to applicant: Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

## 2. DATES OF MEETING

A. Inclusive dates for the entire meeting: September 27 through October 29, 2006
B. Actual dates racing will be held: September 27, 28, 29, 30

October 1, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 18, $19,20,21,22,25,26,27,28,29$
C. Total number of days or nights of racing:

26 Days
D. Days or nights of the week races will be held:
$\mathbf{x}$ Wed - Sun

Tues - Sat $\square$ Other (specify)

## E. Number of days or ni 3. RACING PROGRAM

A. Total number of races: Estimate 224*

5 Days
Exception: 6 Days Monday, October 9 through Sunday, October 15, 2006

| Application received: $/ 22 / 06$ <br> Deposit received: $\$ 10,060$ <br> Reviewed: PN | CHRB CERTIFICATION |
| :--- | :---: | | Hearing date: $8 / 7 / 06$ |
| :---: |

B. Number of races for each day or night:

> 8 races weekdays
> 9 races Opening Day, Weekends and Monday, October $9 ;\left({ }^{*}\right)$ with the option to program 10 races on such days.
> 11 races Saturday, October 28,2006, California Cup Day
C. Total number of stakes races: 28 including California Cup Day
D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses. Attached
E. Will provisions be made for owners and trainers to use their own registered colors?
$\mathbf{x}$ Yes $\square^{\text {No }}$ If no, what racing colors are to be used:
F. List all post times for the daily racing program:

$$
\begin{array}{ll}
\text { Weekdays } & \text { Weekends } \& \\
\text { (Except Fridays) } & \text { Holidays }
\end{array}
$$

Race 1 1:00 p.m. 12:30 p.m.
Race 2 1:30 p.m. 1:00 p.m.
Race 3 2:00 p.m. 1:30 p.m.
Race 4 2:30 p.m. 2:00 p.m.
Race 5 3:00 p.m. 2:30 p.m.
Race 6 3:30 p.m. 3:00 p.m.
Race 7 4:00 p.m. 3:30 p.m.
Race 8 4:30 p.m. 4:00 p.m.
Race 9 5:00 p.m. (When applicable) 4:30 p.m. (When applicable)
Race 10 5:30 p.m. (When Applicable) 5:00 p.m. (When applicable)
Exceptions: California Cup Day, Saturday, October 28 12:00 PM
Closing Day, Sunday, October 29 12:00 PM
NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bred stakes races from the purse account, including overnight stakes, shall not be less than $10 \%$ of the total amount distributed for all stakes races pursuant to $B \& P$ Code Section 19568(b).

## 4. RACING ASSOCIATION

A. Association is a: $\begin{aligned} \mathbf{x} & \text { Corporation (complete subsection C) } \\ & \square \\ & \text { LLC (complete subsection D) } \\ & \square \\ & \text { Other (specify, and complete subsection E) }\end{aligned}$
B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. Addendum A on file with CHRB.

| RACE DATE | RACE | $2005$ <br> PURSE | $2006$ <br> PURSE | $\begin{aligned} & 2006 \\ & \text { COSTS } \end{aligned}$ | AGE | DISTANCE | B/C ${ }^{\text {\% }}$ | FEE |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Wed, Sep 27 | SEN. KEN MADDY HANDICAP (G III) | \$100,000 | \$100,000 | \$90,000 | F/M, 3 \& UP | abt. $61 / 2(\mathrm{~T})$ |  | 100 |
| Sat, Sep 30 | YELLOW RIBBON STAKES (GI) | \$500,000 | \$400,000 | \$370,000 | F/M, 3 \& UP | $11 / 4 \mathrm{M}(\mathrm{T})$ |  | 400 |
| Sat, Sep 30 | CLEMENT L. HIRSCH TURF CHAMPIONSHIP (GI) | \$250,000 | \$250,000 | \$230,000 | 3 \& UP | $11 / 4 \mathrm{M}(\mathrm{T})$ |  | 250 |
| Sat, Sep 30 | OAK LEAF B/C STAKES (GI) | \$200,000 | \$250,000* | \$180,000 | F, 2 YO | $11 / 16 \mathrm{M}$ | \$50,000 | 200 |
| Sun, Oct 1 | LADY'S SECRET BREEDERS' CUP HANDICAP (G II) | \$250,000 | \$250,000 | \$160,000 | F/M, 3 \& UP | $11 / 16 \mathrm{M}$ | \$75,000 | 250 |
| Sat, Oct 7 | ANCIENT TITLE BREEDERS' CUP STAKES (G I) | \$250,000 | \$250,000* | \$180,000 | 3 \& UP | 6 F | \$50,000 | 250 |
| Sat, Oct 7 | GOODWOOD BREEDERS' CUP HANDICAP (G II) | \$500,000 | \$500,000* | \$375,000 | 3 \& UP | $11 / 8 \mathrm{M}$ | \$100,000 | 500 |
| Sat, Oct 7 | OAK TREE BREEDERS' CUP MILE (G II) | \$250,000 | \$250,000* | \$180,000 | 3 \& UP | $1 \mathrm{M}(\mathrm{T})$ | \$50,000 | 250 |
| Sun, Oct 8 | NORFOLK B/C STAKES (G II) | \$200,000 | \$250,000* | \$180,000 | 2 YO | 1 1/16 M | \$50,000 | 200 |
| Sun, Oct 8 | COVER GAL STAKES | \$75,000+ | \$65,000+ |  | F, 2 YO (CA) | 7 F |  | 65 |
| Mon, Oct 9 | CAVONNIER STAKES | \$75,000+ | \$65,000+ |  | 2 YO (CA) | 7 F |  | 65 |
| Sat, Oct 14 | OAK TREE DERBY (G II) | \$150,000 | \$150,000 | \$135,000 | 3 YO | $11 / 8 \mathrm{M}(\mathrm{T})$ |  | 150 |
| Sun, Oct 15 | HAROLD C. RAMSER, SR. HANDICAP | \$100,000 | \$100,000 | \$90,000 | F, 3 YO | $1 \mathrm{M}(\mathrm{T})$ |  | 100 |
| Sat, Oct 21 | ANOAKIA STAKES | \$75,000+ | \$65,000+ |  | F, 2 YO | 6 F |  | 65 |
| Sat, Oct 21 | CARLETON F. BURKE HANDICAP (G III) | \$100,000 | \$100,000 | \$90,000 | 3 \& UP | 11/2 M (T) |  | 100 |
| Sun, Oct 22 | SUNNY SLOPE STAKES | \$75,000+ | \$65,000+ |  | 2 YO | 6 F |  | 65 |
| Sat, Oct 28 | CALIFORNIA CUP CLASSIC by SMITH BARNEY | \$250,000 | \$250,000 |  | 3 \& UP (CA) | $11 / 8 \mathrm{M}$ |  | 100 |
| Sat, Oct 28 | CALIFORNIA CUP MILE | \$175,000 | \$175,000 |  | 3 \& UP (CA) | 1 M (T) |  | 50 |
| Sat, Oct 28 | CALIFORNIA CUP MATRON | \$150,000 | \$150,000 |  | $F / M, 3$ \& UP (CA) | $11 / 16 \mathrm{M}$ |  | 50 |
| Sat, Oct 28 | CALIFORNIA CUP SPRINT | \$150,000 | \$150,000 |  | 3 \& UP (CA) | 6 F |  | 50 |
| Sat, Oct 28 | CALIFORNIA CUP DISTAFF | \$150,000 | \$150,000 |  | $F / M, 3$ \& UP (CA) | abt $61 / 2 \mathrm{f}(\mathrm{T})$ |  | 50 |
| Sat, Oct 28 | CALIFORNIA CUP JUVENILE (COLTS \& GELDINGS) | \$125,000 | \$125,000 |  | 2 YO (CA) | $11 / 16 \mathrm{M}$ |  | 50 |
| Sat, Oct 28 | CALIFORNIA CUP JUVENILE (FILLIES) | \$125,000 | \$125,000 |  | F, 2 YO (CA) | 11/16M |  | 50 |
| Sat, Oct 28 | CALIFORNIA CUP DISTANCE HANDICAP | \$100,000 | \$100,000 |  | F/M, 3 \& UP | $11 / 4 \mathrm{M}(\mathrm{T})$ |  | 50 |
| Sat, Oct 28 | CALIFORNIA CUP STARTER HANDICAP | \$50,000 | \$50,000 |  | 3 \& UP (CA) | $11 / 2 \mathrm{M}(\mathrm{T})$ |  | 100 |
| Sat, Oct 28 | CALIFORNIA CUP STARTER SPRINT HANDICAP | \$50,000 | \$50,000 |  | 3 \& UP (CA) | 6 F |  | 100 |
| Sun, Oct 29 | MORVICH HANDICAP (G III) | \$100,000 | \$100,000 | \$90,000 | 3 \& UP | abt $61 / 2 \mathrm{~F}(\mathrm{~T})$ |  | 100 |
| Sun, Oct 29 | LAS PALMAS HANDICAP (G II) | \$150,000 | \$150,000 | \$135,000 | F/M, 3 \& UP | $1 \mathrm{M}(\mathrm{T})$ |  | 150 |
| Sat, Nov 4 | BREEDERS' CUP DAY @ Churchill Downs |  |  | \$2,485,000 |  |  |  |  |

[^0][^1]1. Registered name of the corporation: Oak Tree Racing Association
2. State where incorporated:

California
3. Registry or file number for the corporation:

D5468-730
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
Dr. Jack K. Robbins President and Director
Sherwood C. Chillingworth
Thomas R. Capehart
Dr. Rick M. Arthur
John H. Barr
Trudy V. McCaffery

Executive Vice President, Director<br>Vice-President-Secretary, Director<br>Vice-President-Assistant Secretary, Director<br>Vice-President, Director<br>Vice President, Director

Note: There are no shares of stock, but there are six membership certificates issued; One to each Director. Oak Tree Racing Association is a not-for-profit and Non-dividend paying corporation.
5. 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: None. Each of the Directors owns one (1) membership.
6. Number of outstanding shares in the corporation: Six
$\begin{array}{lll}\text { 7. } & \text { Are the shares listed for public trading? } & \square \\ \text { If yes, on what exchange and how is the stock listed: } & \square & \square\end{array}$
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: Thomas R. Capehart, Vice President-Secretary
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: N/A
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. Financial statements as of 5/31/06, are presently being prepared by our independent auditors, Vicenti, Lloyd \& Stutzman. Anticipated that these statements will be completed by late August and will be promptly forwarded to the Board. Latest available statements as of $5 / 31 / 05$ on are file with CHRB.
D. LLC

N/A
E. OTHER N/A

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
F. Management and Staff
3. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 10B, who will be listed in the official program:

Dr. Jack K. Robbins President and Director
Sherwood C. Chillingworth
Thomas R. Capehart
Dr. Rick M. Arthur
John H. Barr
Trudy V. McCaffery
Ron Charles
George Haines II
Candace Coder-Chew
Aaron Vercruysse
Steve Guise
Allen Gutterman
Randy Hartzell
Dick Honaker
Gina Lavo
Richard Price
Pete Siberell
Ken Walker
Amy J. Zimmerman
Nina Zukin
Trevor Denman
Steve Wood
Jay Cohen
Executive Vice President \& Managing Officer, Director
Vice-President-Secretary, Director
Vice-President-Assistant Secretary, Director
Vice-President, Director
Vice President, Director
President, Los Angeles Turf Club, Incorporated
General Manager
Director of Print \& Graphics
Simulcast Coordinator
Director of Facility \& Grounds
Director of Marketing
Pari-Mutuel Manager
Director of Security
Controller
Director of Operations and Guest Services
Director of Community Services \& Special Projects
Director of Industrial Relations
Director of Broadcasting
Director of Information Services
Public Address Commentator
Track Superintendent
Hornblower
2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:
Sherwood C. Chillingworth, Executive Vice President \& Managing Officer, Oak Tree Racing Association

## 5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: $\quad \mathbf{8 6 , 4 0 0 , 0 0 0}$
Prior meet actual: $\quad \$ \mathbf{7 , 2 0 0 , 0 0 0}$
2. Overnight stakes:

Current meet estimate: \$ 260,000
Prior meet actual: \$ 300,000
3. Non-overnight stakes:

Current meet estimate: $\quad \mathbf{\$ 2 , 4 8 5 , 0 0 0}$
Prior meet actual: $\quad \$ \mathbf{2 , 5 7 8 , 0 0 0}$
B. Stakes races:

1. Purse distribution for all stakes races:
Current meet estimate:
\$ 2,745,000
Prior meet actual:
\$ 2,878,000
2. Percentage of the purse distribution for all stakes races that will be distributed for Californiabred stakes races:
Current meet estimate: $\quad$ Cal Cup $(\$ 1,325,000)^{*}$ Not included in stakes figure.
Prior meet actual: Cal Cup $(\mathbf{\$ 1 , 3 2 5 , 0 0 0})^{*}$ Not included in stakes figure.
C. Funds to be generated for all California-bred incentive awards:

Current meet estimate: $\quad \$ \mathbf{1 , 1 7 5 , 0 0 0}$
Prior meet actual:
\$ 1,400,000
D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

Recognized Horsemen's Organization
Current meet estimate:

| NTRA | \$ 92,500 | NTRA | \$132,000 |
| :---: | :---: | :---: | :---: |
| TOC | \$ 92,200 | TOC | \$ 112,800 |
| CTT * | *\$138,300 | CTT | *\$169,200 |
| *Pension Fund- | \$103,725 |  | *Pension Fund - \$126,900 |
| *Administration | n- \$34,575 |  | *Administration - \$42,300 |
| TOTAL | \$ 323,000 | TOTAL | \$414,000 |

E. Total amount from all sources to be distributed in the form of purses or other benefits to horsemen
$(5 A+5 C+5 D)$ :
Current meet estimate: $\quad \$ 10,643,000$
Prior meet actual: $\$ 11,892,000$
F. Purse funds to be generated from on-track handle and intrastate off-track handle:

Current meet estimate: $\$ \mathbf{6 , 5 0 0 , 0 0 0}$
Prior meet actual:
\$8,036,300
G. Purse funds to be generated from interstate handle:

Current meet estimate: $\quad \$ \mathbf{1 , 9 5 0 , 0 0 0}$
Prior meet actual: $\$ \mathbf{2 , 4 1 7 , 0 0 0}$
H. Bank and account number for the Paymaster of Purses' purse account:

CitiBank, 787 W. 5th Street 29th Floor, Los Angeles, CA 90071, paid through Paymaster of Purses Account \#201385887
I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting: Bowen, McBeth Co., 10722 Arrow Route, Suite 110, Rancho Cucamonga, CA 91730-(909) 944-6465

[^2]
## 6. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held: $\mathbf{1 , 9 5 0}$
B. Minimum number of stalls believed necessary for the meeting: $\mathbf{1 , 8 5 3}$
C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: $\quad \mathbf{2 , 5 0 0}$
D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
Hollywood Park 1,500
San Luis Rey Downs 500
Fariplex 500
E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. SCOTWINC agreement on file with CHRB

Complete subsections F through I if the association will request reimbursement for off-site stabling as provided by B\&P Code Sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, skip to Section 7.
F. Total number of usable stalls made available on-site for the 1986 meeting: $\quad \mathbf{1 , 9 5 0}$
G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall: $\$ 512,500 \quad \$ 8.00 /$ day $/$ stall excluding vanning costs.
H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:
\$180 RT for Hollywood and Pomona
\$320 RT for San Luis Rey Downs

## 7. PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to B\&P Code Section 19599, and with the approval of the CHRB, associations may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK 4 for select four, PNP for pick ( n ) pool, PPN for place pick ( n ), Q for quinella, SF for Superfecta, TRI for trifecta and US for unlimited sweepstakes (pick 9).

| Race \#1 | \$1E | \$2DD \$1PK3 \$1PPN |  |  |
| :--- | :--- | :--- | :--- | :--- |
| Race \#2 | \$1E | \$2DD \$1PK3 |  |  |
| Race \#3 | \$1E | \$2DD \$1PK3 \$2PNP6 |  |  |
| Race \#4 | \$1E | \$2DD \$1PK3 \$1PNP5 | \$2PNP6 |  |
| Race \#5 | \$1E | \$2DD \$1PK3 | \$1PNP5 \$1PNP4 | \$2PNP6 |
| Race \#6 | \$1E | \$2DD \$1PK3 \$1PNP5 \$1PNP4 \$2PNP6 |  |  |
| Race \#7 | \$1E | \$2DD \$1PK3 | \$1PNP4 \$2PNP6 |  |
| Race \#8 | \$1E | \$2DD \$1PK3 | \$1PNP4 \$2PNP6 |  |
| Race \#9 | \$1E | \$2DD |  |  |
| Race \#10 | \$1E | \$2DD |  |  |

CHRB \#1959, 1957, 1977, 1976.8
CHRB \#1959, 1957, 1977
CHRB \#1959, 1957, 1977, 1976.9
CHRB \#1959, 1957, 1977, 1976.9
CHRB \#1959, 1957, 1977, 1976.9
CHRB \#1959, 1957, 1977, 1976.9
CHRB \#1959, 1957, 1977, 1976.9
CHRB \#1959, 1957, 1977, 1976.9
CHRB \#1959, 1957
CHRB \#1959, 1957

- Rolling \$2 Daily Doubles beginning with Race \#1. (CHRB \#1957)
- \$1 Trifecta on all eligible races. (CHRB \#1979)
- \$0.10 Superfecta on all eligible races. (CHRB \#1979.1)
- Incoming simulcasts will follow host track format.
- \$1 Place PK-8 on 8-race program; Place PK-9 on 9-race program, Place PK-10 on 10-race program. Closing Line Favorite evidenced by the amounts wagered in the win pool. [All $\$ 1$ Wagers] No carryover. Pay all tickets with most winners (CHRB 1976.8)
- \$2 PNP-6 Last six live races 70\% Carryover, 30\% Minor. Alternate runner provision. (CHRB \#1976.9)
- \$1 PNP-5 Last five live races. No carryover. Pay all tickets with most winners. (CHRB \#1976.9)
- \$1 PNP-4 last four live races. (CHRB \#1976.9)
- \$2 Parlay Wagering Races 1-10 (CHRB \#1954.1)
- Additional deduction provided by subdivision (a) of Section 19611.5 will be made.
B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool:

Sunday, October 29, 2006
C. List any options requested with regard to exotic wagering: N/A
D. Will "advance" or "early bird" wagering be offered?
 If yes, when will such wagering begin:
8:30 AM to 10:00 AM each day. Exception: California Cup Day
E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games Racing, George Brannen Expires: 9/2007

## 8. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the association to conduct simulcast wagering: Southern California Off-Track Wagering, Inc.
B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
Agreement on file with CHRB.
C. California simulcast facilities the association proposes to offer its live audiovisual signal: Attached
D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:

Attached - Common Pool Sites and Separate Pool/Flat Fee Sites.


## California Simulcast Facilites

## Location Name

Alameda County Fair
Antelope Valley Fair
Barona Casino
Bay Meadows
Big Fresno Fair
Cabazon Fantasy Springs Casino
California State Fair
Earl Warren Showgrounds
Fairplex Park
Fresno Club One
Golden Gate Fields
Hollywood Park
Humbolt County fair
Kern County Fair
Los Alamitos Racecourse
Monterey County Fair
National Orange Show
Redwood Acres Fair
San Bernardino County Fair
San Joaquin County Fair
Santa Clara fair
Santa Anita Park
Santa Maria Fair Park
Shalimar Sportscenter
Shasta District Fair
Solano County fair
Sonoma County Fair
Stanislaus County Fair
Sycuan Gaming Center
The Farmers Fair
Tulare County Fair
Ventura County Fair
Viejas Casino and Turf Club

City
Pleasanton
Lancaster
Lakeside
San Mateo
Fresno
Indio
Sacramento
Santa Barbara
Pomona
Fresno
Albany
Inglewood
Ferndale
Bakersfield
Cypress
Monterey
San Bernadino
Eureka
Victorville
Stockton
San Jose
Arcadia
Santa Maria
Indio
Anderson
Vallejo
Santa Rosa
Turlock
El Cajon
Perris
Tulare
Ventura
Alpine


| Gues! | State | Gues! | State |
| :---: | :---: | :---: | :---: |
| Anwest Enterlainment | Norh Dakota | Maryland Jockey Club | Maryland |
| Arapahoe Park | Colorado | Midway Slots \& Simulcast | Delaware |
| Arlington International Racecourse | Ilinois | Monmouth Park | New Jersey |
| Allantic City Casino Assn. | New Jersey | Montana Simulcast Partners | Montana |
| Aliantic City Race Course | New Jersey | Monticello Raceway | New York |
| Atokad Downs | Nebraska | Mount Pleasant Meadows | Michigan |
| Atheraces PIc | United Kingdom | Mountaineer Park | West Virginia |
| Balmoral ParkMaywood | Illinois | Multnomah Greyhound Park | Oregon |
| Bettor Racing OTB | South Dakota | Nassau/Suftoik OTB | New York |
| Beulah Park | Ohio | Nevada Pari-Mutuel Association | Nevada |
| Birmingham Race Course | Alabama | New Jersey Sports \& Exposition Authority | New Jersey |
| Blue Ribbon Downs | Okiahoma | New York City Ott-Track Betting | New York |
| Blufls Run Greyhound Park \& Casino | lowa | New York Racing Association | New York |
| Boyd Gaming, oba Della Downs | Louisiana | Newport Jai-Alai | Rhode Island |
| Buftalo Trotting Association | New York | Northlield Park | Ohio |
| Calder Race Course | Florida | Northville Racing Com. | Michigan |
| Canterbury Park | Minnesota | Oaklawn Park | Arkansas |
| Capital District OTB | New York | Ocean Downs | Maryland |
| Capital Sports Pty Lid. | Australia | Penn National Race Course | Pennsylvania |
| Catskili OTB | New York | Philadelphia Park | Pennsylvania |
| Charles Town Races | West Virginia | Plainridge Race Course | Massachusetis |
| Choctaw Racing Services, LLC | Oklahoma | Porland Meadows | Oregon |
| Churchill Downs | Kentucky | Prairie Meadows | lowa |
| Churchill Downs Sports Spectrum | Kentucky | Raceway Park | Ohio |
| Coeur d'Alene Casino | tdaho | Racing \& Gaming Services, Inc. | Britsh WI |
| Colonial Downs | Virginia | Racing Services, Inc. | North Dakota |
| Columbus Races | Nebraska | Remington Park | Oklahoma |
| Connecticuit OtB | Connecticut | Retama Park | Texas |
| Corpus Christi Greyhound Race Track | Texas | River Downs | Ohio |
| Cryslal Palace Casino | Bahamas | Fockingham Park | New Hampshire |
| Dairyland Greyhound Park | Wisconsin | Rosecrotl Raceway | Maryland |
| Delaware Park | Delaware | Ruidoso Downs | New Mexico |
| Dover Downs | Delaware | Saginaw Harness Raceway | Michigan |
| Downs at Albuquerque | New Mexico | Sam Houston Race Park, LTD | Texas |
| Ellis Park | Kentucky | Saratoga Raceway | New York |
| Emerald Downs | Washington | Scamorough Downs | Maine |
| Euro Of Track | Florida | Scioto Downs | Ohio |
| Evangeline Downs | Louisiana | Southland Greyhound Park | Arkansas |
| Fair Meadows at Tulsa | Oklahoma | Sports Creek Raceway | Michigan |
| Fairgrounds Race Course | Louisiana | State Fair Park | Nebraska |
| Faimount Park | Illinois | Stevenson \& Associates, Inc. (Common) | Florida |
| Finger Lakes Pace Track | New York | Sufitik Downs | Massachusetts |
| Fonner Park | Nebraska | Suttok OTB | New York |
| Freehold Raceway | New Jersey | Suniand Park | New Mexico |
| Geneva Lakes Kennel Club | Wisconsin | Sunray Park | New Mexico |
| Gillespie County Fair Race Meet | Texas | The Green Track | Alabama |
| Great Lakes Downs | Michigan | The Greyhound Park at Post Falls | Idaho |
| Hawhome National LLC | llinois | The Meadows | Pennsylvania |
| Hazel Park | Michigan | The Racing Network International, inc. | Oregon |
| Hinsdale Greyhound Park | New Hampshire | The Texas Hub at Gulf Greyhound | Texas |
| Hoosier Park | Indiana | Thistledown Racing | Ohio |
| Horsemen's Park | Nebraska | Tri-State Racetrack \& Gaming Center | West Virginia |
| Indlana Downs | Indiana | Turl Paradise | Arizona |
| International Aa Sports Limited | Florida | Turiway Park | Kentucky |
| Jackson Harness Raceway | Michigan | TVG Network | California |
| Koeneland Association | Kentucky | U.S. Off Track, LLC | Florida |
| Las Vegas Dissemination Co. | Nevada | Valley Greyhound Park (Sam Houston site) | Texas |
| Lebanon Placeway | Ohio | Vemon Downs | New York |
| Les Bois Park Simulcast Network | Idaho | Western Regional OTB | New York |
| Lewiston Raceways, Inc. | Maine | Wheeling Downs | West Virginia |
| Lien Games, inc. | North Dakota | Wichila Greyhound Park | Kansas |
| L.incoln Park | Fhode Island | WirnaVegas Casino | lowa |
| Lone Star Race Park Lid. | Texas | Wonderland Greyhound Park | Massachusetts |
| Lovisiana Downs | Lovisiana | Woodiands | Kansas |
| LVDC / Elite Tuf Club | Nevada | Wyoming OTB | Wyoming |
| LVOC/ / Holiday Beach Hotel \& Casino | Nevada | XpressBel inc. | California |
| LVDC / Tonkawa Bingo | Okdahoma | Yonkers Raceway | New York |
| LVDC / Tribal Locations | Nevada | Youbel | Califomia |
| Manor Downs | Texas | Zia Park | New Mexico |



| Caliente (M1R) | San Diego | Callitornia |
| :---: | :---: | :---: |
| Caymanas Paik | St. Cathenine | Jjamaica |
| Stevenson 8 Asscciates, inc. | Mechanicsville | Florida |
| Woodbine Entertainment Group | Rexdale, Ontario | Onflario |

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:

## See 8-D Attachment

F. For THOROUGHBRED racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": Attached
notice to applicant: $\mathrm{B} \& \mathrm{P}$ Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B\&P Code Section 19596.2(a)(1), (2), (3) and (4).

## THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races
G. For QUARTER HORSE racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": N/A

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED
Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races
H. For STANDARDBRED racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": N/A

HARNESS SIMULCAST RACES TO BE IMPORTED

## Name of Host Track Race Dates Full Card or Selected Feature and/or Stakes Races

I. For all racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported: N/A

## OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Breed of Horse Race Dates Number of Races to be Imported
J. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B\&P Code Section 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). N/A

NOTICE TO APPLICANT: All interstate wagering to be conducted by an association is subject to the provisions of Title 15, United States Codes, which require specific written approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by an association is subject to the provision of $B \& P$ Code Sections 19596, 19596.1, 19596.2, 19601, 19602, and 19616.1, and will require specific witivi appiviai of thic CiRes.

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or


## OAK TREE 2006 Proposed Imports*

## Dates

9-27 through 10-29
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Track
Aqueduct
Belmont
Calder
Churchill
Delaware Park
Great Lakes Downs
Hastings Park
Hawthorne
Hoosier Downs
Keeneland
Laurel
Louisiana Downs
Meadowlands
Philadelphia Park
Pimlico
Remington
Thistledown
Turf Paradise
Turfway Park
Woodbine
Fort Erie

Race(s)
Full/Partial Card or Stakes
Full/Partial Card or Stakes
Full/Partial Card or Stakes
Full/Partial Card or Stakes
Partial Card/Stakes
Full/Partial Card or Stakes
Partial Card/Stakes
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night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering, and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every association shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each day or night racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

## 9. CHARITY RACING DAYS

A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:
Oak Tree Charitable Foundation, 285 W. Huntington Drive, Arcadia, CA 91007
B. Names and addresses of the trustees or directors of the distributing agent:

Dr. Jack K. Robbins
Sherwood C. Chillingworth
Dr. Rick M. Arthur
John H. Barr
Thomas R. Capehart
Trudy V. McCaffery
285 W. Huntington Drive, Arcadia, CA 91007
C. Dates the association will conduct races as charity racing days OR:
D. Will the association pay the distributing agent an amount equal to the maximum required under $\mathrm{B} \& \mathrm{P}$ Code Section 19550(b)? $\square$ x Yes

NOTICE TO APPLICANT: Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of B\&P Code Section 19555. Thereafter, the distributing agent shall distribute not less than $90 \%$ of the aggregate proceeds from such charity racing days within 12 calendar months after the last day of the meeting during which the charity racing days were conducted and shall distribute the remaining funds as soon thereafter as is practicable. At least $20 \%$ of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of B\&P Code Section 19556(b).

## 10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:<br>Association Veterinarian(s)<br>Clerk of Scales<br>Clerk of the Course<br>Film Specialist<br>Horse Identifier<br>Horseshoe Inspector<br>Paddock Judge<br>Patrol Judges<br>Placing Judges<br>Starter<br>Timer

Dr. Steven Buttgenbach<br>Kevin Colosi<br>Melanie Stubblefield<br>Ruben Hernandez<br>Jennifer Paige<br>Victor Tovar<br>Ken Goldberg<br>Ken Goldberg, Ruben Hernandez, Dawn Jackson<br>Bob Moreno, Lisa Jones<br>Jay Slender<br>Jeff Tufts

B. Management officials in the racing department:

## Director of Racing

Michael J. Harlow
Racing Secretary
Rick Hammerle

Assistant Racing Secretary
Paymaster of Purses

Richard Wheeler
Cece Connor

Others (identify by name and title) Assistant Clerk of Scales

Charles McCaul

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: Ms. Barbara Weinstein, 9582 Hamilton Avenue, Suite 265, Huntington Beach CA 92646, 714/964-7102
D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation USA/Bill O'Brien Expires December 31, 2006
E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.

In-house Video System

## MAJOR VIDEO EQUIPMENT LISTING

## Cameras

- All cameras, except ENG cameras, are BTS LDK 91 or BTS LDK 100 broadcast color cameras.
- All cameras are equipped with Fujinon lens and Vinten camera Support Equipment.
- All cameras (except the 2 wireless) are on triax camera control systems.
- ENG cameras are Sony DVW-700 digital betacams.
- Enclosed saddling stall cameras are high-8 lock-down cameras.


## Camera Positions

1) $3 / 8$ tower on grass $55: 1$ lens
2) $3 / 8$ tower on dirt $55: 1$ lens
3) hillside/square box on hill grass (remote) 18:1 lens
4) 1/4 tower on both grass and dirt 24:1 lens
5) tight pan camera on both grass and dirt 70:1 lens
6) loose pan camera on both grass and dirt 36:1 lens
7) 7/8 tower on grass 55:1 lens
8) $7 / 8$ tower on dirt $55: 1$ lens
9) winner's circle $24: 1$ lens
10) wireless starting gate and saddling barn $18: 1$ lens
11) wireless lower finish line and interviews $14: 1$ lens
12) walking ring $14: 1$ lens
13) east saddling barn (remote) $7: 1$ lens
14) west saddling barn (remote) $7: 1$ lens
15) studio $18: 1$ lens
16) infield speaker pole (remote) 18:1 lens
17) ENG camera 20:1 lens
18) ENG camera 15:1 lens
19) East saddling barn enclosed saddling stall (lock-down)
20) West saddling barn enclosed saddling stall (lock-down)

## Public

250 13" Gateway Flat Screen Monitors
30 42" LG Plasma Monitors
over 600
over $500 \quad 27^{\prime \prime}$ Sony receivers
over $350 \quad 32^{\prime \prime}$ Sony receivers
over 75 13" Sony receivers
over $150 \quad 10^{\prime \prime}$ Sony receivers
$150 \quad 20$ " Sony receivers
8 Barco Video Projectors
1 40'x53' Display Ad Large screen LED video board
2 Barco LED Screens

## Control Room Equipment

1- Tektronix 4-channel digital profile file server.
1- Digital Betacam VTP
2- Composite Digital Video Tape recorders
6- Betacam record/play VCRs with slo-mo
2- Betacam record/play VCRs
1- $3 / 4$ " Umatic record/play VCR
1- 3/4" Umatic VCR
5 Digital Beta cam VCR's
1- GVG IPS-110 Editor
4- Hi 8 record/play VCR
8- VHS record/play VCR
1- BTS $128 \times 128$ video router with $64 \times 64$ stereo audio follow
1- GVG 3000 composite digital switcher w/dual MEs, PVW/PGM
2- Dual channel GVG DPM 700 digital effects system GVG video DAs
1- GVG GF-40 character generator/paint system
1- GVG DSS-4 stillstore
1- Quanta character generator Sony video monitors
5- Tektronix WFM and V-scopes
2- GVG 100 video switchers
2- $\quad$ Soundcraft Delta audio mixers
1- GVG 251 Editor
30- Jerold TV Modulators
2- Chyron MAX! Graphics Generators
2- Chryon Maxine! Graphics Generators

Number and location of cameras for dirt and turf tracks:
1 Tight Pan
1 Loose Pan
$17 / 8^{\text {th }}$ camera dirt
$17 / 8^{\text {th }}$ camera turf
1 RF Starting Gate camera
$13 / 8^{\text {th }}$ camera dirt
$13 / 8^{\text {th }}$ camera turf
$13 / 16^{\text {th }}$ camera dirt
$13 / 16^{\text {th }}$ camera turf
$11 / 4$ pole camera
1 hillside camera turf
F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Electronic timing systems on both dirt and turf courses, maintained and operated by Santa Anita personnel. Systems backed by hand timing.

## 11. SECURITY CONTROLS

A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. Richard Honaker, Chief of Security
Front Side Security Office (626) 574-6406
Stable Security Office (626) 574-6469
Organizational Chart: Attached Exhibit 11-A
B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
7 Investigators
1 Dispatcher/Child Care
40 Security Guards
1 Office Manager/Risk Manager
1 Fire Marshall
13 Gatemen
1 Secretary, Stable Credentials

1. Attach a written plan for enhanced security for graded/stakes races and races of $\$ 100,000$ or more, to include the number of security guards in the restricted areas during a 24 -hour period and a plan for detention barns.

A cooperative effort by Oak Tree Racing Association, Los Angeles Turf Club, Incorporated and TOC, has created and implemented a plan for Graded/Stakes Races. Under the plan, each horse entered in a graded race is assigned a contracted security officer. Each of these officers has received training from OTRA/LATC Stable Security management, the CHRB and one or more track veterinarians. Each officer is also issued a hand-held digital video camera and a log sheet to record [in writing and electronically] all activity including persons entering the stall with the horses entered. Each security officers is briefed before starting surveillance a minimum of six (6) hours prior to the post time of the given race. OTRA/LATC also tests for carbon dioxide (TCO/2) levels of entries prior to all races.

## 2. Detention Barns

a. Attach a plan for use of graded stakes or overnight races.

As indicated in Exhibit B-3-A, the Detention Barn is used when a trainer's entry tests high for carbon dioxide (TCO2). All race entries for the offending trainer must be transported to the Detention Barn by noon of the day prior to the scheduled race. In addition to the electronic surveillance as mentioned in section $\mathbf{C 1}$, below, a contracted security guard is then placed on duty for every 3 horses in the Detention Barn. In addition, entries for graded races that are confined to the Detention Barn receive a contracted security officer six (6) hours before post as indicated in (1) above.
b. Number of security guards in the detention barn area during a 24 -hour period. See 2-a. above.

Security 2007
SANTA ANITA PARK
Live Racing



2006 Testing Policy \& Procedures Stall Application Supplemental Form

Oak Tree Racing Association, in coordination with the California Horse Racing Board, is entitled to perform physiological tests consisting of the taking of blood samples from owners' horses entered in races to be conducted at the 2006 meet. It is the understanding of the parties that such samples will be tested for bicarbonate levels. Trainers of horses showing a total carbon dioxide (TCO2) of 37 millimoles per liter of plasma or more shall be subject to the following actions:
a. $\quad \mathbf{1}^{\text {st }}$ Offense - For the first test that results in a total carbon dioxide (TCO2) of 37 millimoles per liter of plasma or more, the registered trainer of such horse may have his/her barn, and all owners' horses stabled therein, subject to "earned surveillance" for a period of 45 days from the date of the infraction. Such earned surveillance will be conducted at the Oak Tree Racing Association's sole discretion, and may include, but not be limited to, the placing of surveillance cameras with recording devices in any locations within that barn that Oak Tree Racing Association deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 30 days after notification of the first offense, may be subject to confinement in a detention barn beginning at noon on the day before said horse is scheduled to compete. Such detention barm will be established at management's sole discretion, with the costs of such detention/surveillance including, but not limited to, $\$ 150.00$ for security and $\$ 25.00$ for stall renovation per horse/entrant, being borne by the trainer or owner of such horse.
b. $\mathbf{2}^{\text {nd }} \mathbf{O f f e n s e}$ - For the second test that results in a total carbon dioxide (TCO2) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall be prohibited from entering any owners' horse within his care in a race for a period of 15 race days.
c. $\mathbf{3}^{\text {rd }}$ Offense - For the third test that results in a total carbon dioxide (TCO2) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall be expelled from Oak Tree Racing Association's grounds for a period of one year, and shall further be precluded from entering any owners' horses within his care for the balance of Oak Tree Racing Association's 2005 meet.

My signature below indicates that I have read the above policy and understand the consequences if a horse under my care tests positive.
c. Describe number and location of surveillance cameras in detention barn area.

OTRA/LATC utilizes several cameras at various locations in the stable area. Each camera has the ability to pan, tilt and zoom remotely. Images from these cameras are recorded on hard disk drives and are stored for approximately three (3) weeks. Control of these cameras is available via computer to various managers on the property.
3. TCO 2 Testing
a. Number of races to be tested, and number of horses entered in each race to be tested. See Exhibit B-3-a. Attached.
b. Plan for enhanced surveillance for trainers with high-test results.

See 2-a above and Exhibit B-3-a. Attached.
c. Plan for detention barns for repeat offenders.

See Exhibit B-3-a. Attached.
d. Number of security personnel assigned to the TCO2 program.

Two security officers from Stable Security are assigned to pick-up the samples, which are secured in a locked container, after the final testing on each Sunday and secure the samples in a refrigerated and locked storage area. The following Monday, two security officers from Stable Security retrieve the samples and send them via Federal Express to the testing facility. The officers, on both days, log and sign in and out the samples as well as have Fed Ex sign for receipt of the samples. This procedure is used to protect the integrity of the chain of evidence. During the rest of the week, the vet and his/her personnel in the Receiving Barn handle this procedure.
C. Describe the electronic security system:

Electronic security system consists of video cameras with the ability to pan, tilt and zoom remotely. Camera monitors and control points are managed from secure locations. Video recordings are maintained on hard drives.

1. Location and number of video surveillance cameras for the detention barn and stable gate. OTRA/LATC operates a detention barn located at Barn 121, stalls $9,10,11,12,12 \mathrm{~A}, 14,20$ and 21 with each having a camera installed offering a wide angle view of the entire stall. In addition, on the outside of stalls $4,7,12 \mathrm{~A}$ and 14 , cameras have been installed offering wideangle views of the shed row from both directions. The stable gates are included with the cameras mentioned in question 2-C above, and all of these cameras are controlled by the same measures.
D. For night racing associations: Describe emergency lighting system: N/A

## 12. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
Huntington Ambulance Service, PO Box 145, Sunset Beach, CA 90742, (714) 325-0363
B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
Hollywood Park: Huntington Ambulance Service (same as above)
Fairplex: Cole-Shaefer Ambulance, 324 N. Towne Ave., Pomona, CA 91767 (909) 622-1273
San Luis Rey Downs: Emergency procedures plan on file with CHRB
C. Attach a fire clearance from the fire authority having jurisdiction over the premises. Attached
D. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
State Compensation Insurance Fund Policy N0030000281-01
Servicing Office
Clarendon National Insurance Company Effective 4/1/2006-4/1/2007
E. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.
Attached

## 13. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, other than those already identified, and the goods and/or services to be provided by each:

## HANDICAPPERS

Bob's Card Incorporated
Tiffany Bohland
6288 Highland Meadows Drive
Medina, OH 44256
Mr. Toby Turrell (Winners)
14112 Enfield Circle Westminster, CA 92683

Baedeker's Incorporated
Mr. Robert Baedeker
130 W. El Portal
San Clemente, CA 92672
Duke Racing Selections
c/o Harry Acquarelli 6632 West 87th Street
Los Angeles, CA 90045
Today's Racing Digest, Inc.
Jason Karches
2080 Las Palmas Drive
Carlsbad, CA 92009
Triangle Turf Publications William R. \& Karen S. Archer
1 Scott Street
Gardnerville, NV 89410
(CHRB-25A and CHRB-87 on file with CHRB.)
(CHRB-25A and CHRB-87 on file with CHRB.)
(CHRB-25A and CHRB-87 on file with CHRB.)
(CHRB-25A and CHRB-87 on file with CHRB.)
(Exempt from CHRB-25A and CHRB-87)
(CHRB-25A and CHRB-87 on file with CHRB.)

City of Arcadia

Fire Department

David R. Lugo, Jr Fire Chief

June 26, 2006

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
RE: Los Angeles Turf Club Fire Clearance (2006-2007 Racing Meet)
To Whom It May Concern:
The Arcadia Fire Department Bureau of Fire Prevention conducted a Fire and Life Safety Inspection of the facilities at Santa Anita Race Track to be used for 20062007.

It is requested that this letter be accepted as the report of that inspection. During this inspection, no serious fire or life safety code violations were noted.

In accordance with regulations as adopted by the California Horse Racing Board, this letter may be accepted as a fire clearance from this office for the 2006-2007 Thoroughbred Horse Racing Meet at Los Angeles Turf Club, Arcadia, California.


Fire Chief
cc: George Haines, General Manager, L.A.T.C.
Mary Saenz, Office Operations, L.A.T.C.
Stephen Guise, Director of Facilities \& Grounds, L.A.T.C.
Doug Thorneberry, Asst. Facility Manager, L.A.T.C.
Jerry Gardner, Fire Safety Consultant, L.A.T.C.
Mike Miser, Fire Marshal, L.A.T.C.

## PRODUCER (714)221-1800 <br> FAX (714)221-4196

Brown a Brown of California. Tnc.
CA License OBO2587
P0 Box 6989
Orange, CA 92863
insured Oak Tree Racing Association
285 W. Huntington Drive
P.O. BOX 60014

Arcadia, CA 91066-6014

THIS CERTIFICATEIS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

| INSURERS AFFORDING COVERAGE | NACC \# |
| :---: | :---: |
| Weurer a Clarendon National Ins | 25032 |
| INSURER B: |  |
| NSURERC: |  |
| NESURERD: |  |
| INSURERE' |  |

## COVERASES

THE POLICIES OF INSURAHCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABCVE FOR THE POLICY PERLOO INDCATED. NOTWNTHSTANDING ANY REQUIREMENT, TERM OR CONDTION OF ANY CONTRACT OR OTHER DOCUMENT WTH RESPECT TO WHHCH THIS CERTIFGATE MAY BE ISSUED OR MAY PERTAN, THE INSURANCE AFFORDED BY THE POUGIES DESCRIBED HEREIN IS SUQJEGT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLCIES. AGGREGATE LIMITS SHOWN MAY HAVE EEEN REDUCED EY PAID CLAIMS.


DESCRIPTION OF OPERATIONS I LOCATIONS / VEHICLES I EXCLUSIONG ADDED BY ENDOREEMENT / SPCCLAL PROVSIONS

A. Describe any promotional plans.

- Direct mail offering "Day on Us" to specific patrons includes free admission, parking, program and racing form on Opening Day.
- Additional "Day on Us"
- Direct mail to specific patrons offering two clubhouse passes and one mystery mutuel voucher good for Opening Day and balance of the week.
- All attendees on Opening Day will receive a pack of passes good for free admission on four weekdays during the meet; one pass for the following Wednesday and the rest for any weekday through October 27.
- Stein giveaway on Saturday, September 30, and one pass for free admission on Cal Cup Day.
- Cal Cup Day giveaway - Long sleeve Cal Cup shirt.
- Thoroughbred Member giveaways on three Saturdays - Backpack, doormat, one to be determined.
- $2-\mathrm{KROQ}$ Microbrews and concert
- Major radio promotion in infield
- Latin Festival
- Burbank Road Kings Car Show
- California Auto Show
- Every Sunday - Family Fun Day in infield
- Handicapping Challenge Contest
- $\$ 400,000$ Guaranteed Pick 4 on weekends
- $\$ 200,000$ Guaranteed Pick 4 on weekdays
- Every Thursday - Seniors 65 and over - free admission
B. Number of hosts and hostesses employed for meeting:

Patron Service Representatives on weekdays and 6 on weekends.
C. Describe facilities set aside for new fans:

Jim Quinn will hold handicapping seminars adjacent to walking ring on weekends primarily for new fans.
D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:

1. Horsemen This summer Santa Anita will renovate the base layer of the dirt course. The cushion will be stripped and the base will be measured, leveled and repaired as needed.
2. Fans General maintenance and cleaning of the facility as needed.
3. Facilities in the restricted areas General maintenance of the barn area as needed.

## 15. SCHEDULE OF CHARGES

A. Proposed charges, note any changes from the previous year:

| Admission (general) | $\$ 5.00$ |
| :--- | :--- |
| Admission (clubhouse) | $\$ 8.50$ |
| Admission (turf club) | $\$ 20.00$ |
| Reserved seating (general) | Free |
| Reserved seating (clubhouse) | $\$ 5.00$ (Sold on premium days only.) |
|  | $\$ 7.50$ (Daily box seat, sold every day.) |
| Parking (general) | $\$ 4.00$ |

Parking (preferred)
\$ 6.00
Parking (valet)
\$ 10.00
Programs (on-track) (off-track)
\$ 2.25
\$ 2.25
B. Describe any "Season Boxes" and "Turf Club Membership" fees:

Turf Club Season admission: One Card - $\$ 250.00 \quad$ (Adjusted for 26 race days.)
Two Cards - $\$ 450.00$
(Adjusted for 26 race days.)
Season Box Seat:
$\$ 110.00$ per seat
(Adjusted for 26 race days.)
C. Describe any "package" plans such as combined parking, admission and program: N/A

## 16. JOCKEYS/DRIVERS' QUARTERS

A. Check the applicable amenities available in the jockeys/drivers' quarters:

| $\mathbf{X}$ | Corners (lockers and cubicles) |  |  | How many | $40+$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| X | Showers | X | Steam room, sa | cabinets | X | Lounge area |
| X | Masseur | X | Food/beverage |  | X | Certified platform scale |

B. Describe the quarters to be used for female jockeys/drivers:

Same amenities as above including sofas, but in separate quarters. Four corners. They share food and beverage service area.
17. BACKSTRETCH EMPLOYEE HOUSING
A. Inspection of backstretch housing was completed by CHRB Investigator Jim Hamilton 8/4/05.
B. Number of rooms used for housing on the backstretch of the racetrack: 445+
C. Number of restrooms available on the backstretch of the racetrack:

29 Restrooms ( 116 toilets, 99 lavatories, 45 urinals, 64 showers)
D. Estimated ratio of restroom facilities to the number of backstretch personnel: 47
18. TRACK SAFETY
A. Total distance of the racecourse - measured from the finish line counterclockwise ( $3^{\prime}$ from the inner railing) back to the finish line: $\mathbf{5 , 2 8 0}$ feet.
B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x $4^{\prime \prime}$ uprights, offset wood $4^{\prime \prime} \times 4^{\prime \prime}$ supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Fificiai guocincek witu sheet metal covering. Total rail height ranges from 38-42 inches.
C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Steve Guise, Director of Facility \& Grounds
D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. On file with CHRB.
E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of $\$ 3$ million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. N/A

## 19. DECLARATIONS

A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No exceptions.
B. Attach each horseman's agreement pursuant to CHRB Rule 2044. On file with CHRB.
C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). On file with CHRB.
D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): No exceptions.
E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): No exceptions.
notice to applicant: Pursuant to CHRB Rules 1870 and 1871 , the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

## 20. CERTIFICATION BY APPLICANT

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the association to attest to this application on its behalf.

Sherwood C. Chillingworth

## Print Name

Executive Vice-President

## Print Title



[^3]
# STAFF ANALYSIS <br> PROPOSED AMENDMENT OF RULE 1486. TERM OF LICENSE 

Regular Board Meeting

August 17, 2006

## BACKGROUND

Business and Professions (B\&P) Code Section 19440 provides the Board shall license all persons, other than the public at large, who participate in a horse racing meeting with parimutuel wagering. B\&P Code Section 19510 states no person required to be licensed may participate in any capacity in any horse race meeting without a valid and unrevoked license. B\&P Code Section 19520 states every person not required to be licensed under Article 4 who participates in, or has anything to do with, the racing of horses shall be licensed by the Board pursuant to the rules and regulations the Board may adopt. B\&P Code Section 19521 provides that an original license issued pursuant to this article shall be issued for a period of the calendar year in which it is issued, and shall be renewable for a period, not to exceed three years, which the Board may, by regulation, establish. B\&P Code Section 19704 states the Board shall issue licenses for mule racing. The license shall be limited to mule races only. Under Board Rule 1486, Term of License, every original and renewal of occupational licenses for grooms, stable employees, stable assistants and mule racing participants expire in the calendar year in which they were issued. This has traditionally caused delays at Board licensing offices in the months of December and January, as large numbers of persons attempt to renew their occupational licenses. The issue was discussed at the May 2006 Regular Board Meeting.


#### Abstract

ANALYSIS

The proposed amendment to Rule 1486 provides that every original occupational license as groom, stable employee, stable assistant and mule racing participant shall expire on the last day of the calendar year in which it is issued. This is in keeping with the provisions of B\&P Code Section 19521, which states every original license shall be issued for a period of the calendar year in which it is issued. In addition, the proposed amendment states that such original license for groom, stable employee, stable assistant and mule racing participant shall automatically be extended to expire on the last day of the birth month of the licensee. The licenses shall thereafter expire on the last day of the birth month of the licensee on an annual basis. Automatically extending the license, and thereafter having the license expire on the last day of the birth month of the licensee, will cause the expiration date of such licenses to be spread over a twelve-month period, and alleviate the annual December license renewal backlog.


## RECOMMENDATION

No comments were received during the 45 -day public comment period.
Staff recommends the Board the amendment to Rule 1486 as presented.

CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 4. OCCUPATIONAL LICENSES

PROPOSED AMENDMENT OF RULE 1486. TERM OF LICENSE

Regular Board Meeting
August 17, 2006
1486. Term of License.
(a) Every occupational original license, original or renewal, and renewal of a license granted by the Board under this Article, other than a license as a Greom groom, Stable Employee stable employee, Stable-Assistant stable assistant and Mule-Racing Participant mule racing participant shall expire in the its third year on the last day of the birth month of the licensee.
(b) Notwithstanding subparagraph (a) of this rule, every original occupational license as groom, stable employee, stable assistant and mule racing participant shall expire on the last day of the calendar year in which it is issued. Such original license shall be automatically extended to expire on the last day of the birth month of the licensee, and shall thereafter expire on the last day of the birth month of the licensee on an annual basis.

Authority: Sections 19440 and 19703 19704, Business and Professions Code.

Reference: Sections 19510, 19520, 19521 19512, and 19704, Business and Professions Code.

Regular Board Meeting

August 17, 2006

## BACKGROUND

Business and Professions (B\&P) Code Section 19420 provides that the Board has jurisdiction and supervision over meetings in California 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. B\&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out full and effectually the purposes of this chapter. Responsibilities of the Board include adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and pari-mutuel wagering. B\&P Code Section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California. During the running of a claiming race at the 2005 Del Mar race meeting, a horse went down and caused three other horses to not finish the race. The stewards called off the race and declared it no contest under Board Rule 1544, Calling off Race. Citing Rule 1658, Vesting Title to Claimed Horse, the stewards ordered all claims in the race void. The stewards' decision to void the claim was appealed. An Administrative Law Judge ruled in favor of the owner, and stated nothing in Rule 1544 suggested that calling off a race invalidates claims. The issue was heard at the April 2006 Regular Board Meeting where staff was directed to initiate a 45 -day public comment period.

## ANALYSIS

Board Rule 1544 currently provides that if the stewards believe a race cannot be run before midnight, or cannot be conducted in accordance with the Board's rules and regulations, they shall cancel and call off the race. If mechanical failure, or interference during the running of the race affects the majority of horses, the stewards may declare the race no contest. If a race is called off, canceled or declared no contest, any wagers made on the race shall be refunded and no purse is awarded - as if the race never occurred. However, Rule 1544 does not address claims. This provided the loophole that allowed a successful appeal of the stewards' decision to void claims in a race that was called off and declared no contest at the 2005 Del Mar meeting. The proposed amendment to Rule 1544 addresses the issue by providing that any claims submitted in a race that is called off, canceled, or declared no contest shall be void. In addition, the proposal to amend Rule 1658 states a claim is void if a race is called off in accordance with Rule 1544. Together, the proposed amendments leave no doubt regarding the status of a claim when a race is called off, canceled or declared no contest.

## RECOMMENDATION

No comments were received during the 45-day public comment period.
Staff recommends the Board adopt the amendment to Rules 1544 and 1658 as presented.

# CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 5. RACING OFFICIALS PROPOSED AMENDMENT OF RULE 1544. CALLING OFF RACE 

## Regular Board Meeting

August 17, 2006
1544. Calling off Race.
(a) If the stewards determine When in the-opinion- of the-stewards a race cannot be eemmenced start before midnight or cannot be conducted in accordance with the Board's rules and regulations of the Board, they shall cancel and call off such race.
(b) The stewards may declare a race no contest if the the event mechanical failure or interference during the running of the a race whieh affects the majority of horses in such race, the stewards may declare the race as no contest.
(c) Any wagers on steh races called off, canceled, or declared as no contest shall be refunded, and no purse, prize or stakes shall be awarded.
(d) If a race is called off, canceled, or declared no contest, any submitted claims shall be void.
(e) A race shall be canceled if no horse covers the course.

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

Reference: Section 19562,
Business and Professions Code.

# CALIFORNIA HORSE RACING BOARD <br> TITLE 4. CALIFORNIA CODE OF REGULATIONS <br> ARTICLE 7. CLAIMING RACES. <br> PROPOSED AMENDMENT OF <br> RULE 1658. VESTING OF TITLE TO CLAIMED HORSE. 

Regular Board Meeting<br>August 17, 2006

1658. Vesting of Title to Claimed Horse.
(a) Title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; and said successful claimant becomes the owner of the horse whether it be alive or dead, sound or unsound, or injured during the race or after it. Only a horse which is officially a starter in the race may be claimed. A subsequent disqualification of the horse by order of the stewards or the Board shall have no effect upon the claim.
(b) The claim shall be void if the race is called off, canceled, or declared no contest in accordance with Rule 1544 of this division.

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

Reference: Section 19562,
Business and Professions Code.

# STAFF ANALYSIS PROPOSED AMENDMENT OF RULE 1733. WHIPS 

Regular Board Meeting

August 17, 2006

## BACKGROUND

Business and Professions (B\&P) Code Section 19420 provides that the Board has jurisdiction and supervision over meetings in California 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. B\&P Code 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 control of horse racing and pari-mutuel wagering. B\&P Code Section 19563 states the Board may adopt rules and regulations of the United States Trotting Association (USTA), not inconsistent with this chapter, for the regulation of harness racing. The USTA has amended its Rule 18 Section 9, which governs the maximum allowable length of a driver's whip. The amended USTA rule was effective May 1, 2006. The California liaison officer of the USTA and the harness stewards requested the Board amend Rule 1733, Whips, to be consistent with the newly amended USTA Rule 18 Section 9.

## ANALYSIS

The proposed amendment to Rule 1733 would increase the allowable length of a driver's whip from three feet nine inches, plus a snapper not longer than six inches, to a maximum of four feet, plus a snapper not longer than six inches. The proposed amendment was initiated at the request of the harness industry and will bring Rule 1733 into agreement with the current USTA rule regarding the maximum allowable whip.

## RECOMMENDATION

No comments were received during the 45 -day public comment period.
Staff recommends the Board adopt the amendment as presented.
CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 9. HARNESS RACING RULES PROPOSED AMENDMENT OF RULE 1733. WHIPS
Regular Board Meeting August 17, 2006
1733. Whips.

Whips shall not exceed 3 four feet 9 inehes plus a snapper not longer than 6 six inches.
Whips shall be in good condition and are subject to inspection by the officials at any time.
$\begin{array}{ll}\text { Authority: } & \begin{array}{l}\text { Sections } 19420 \text { and 19440, } \\ \text { Business and Professions Code. }\end{array}\end{array}$
Reference: Section 19563,
Business and Professions Code.

# STAFF ANALYSIS <br> THE SETTING OF ADW HUB RATES 

REGULAR BOARD MEETING<br>AUGUST 17, 2006

## Background:

Section 19604 of the Horse Racing Law authorizes Advance Deposit Wagering (ADW). Paragraph (f) of the law indicates that in order to be licensed, the applicant must meet the following requirements: make a contractual agreement with the California licensee (horse racing association or fair) so that all of the ADW wagers they process are included in the appropriate wagering pools; obtain approval from the CHRB and distribute the ADW takeout in accordance with the Horse Racing Law, i.e., Section 19604, etc.

In addition, two-thirds of the way through paragraph (b) the Section 19604 indicates that the ADW hub may be deduct up to $6.5 \%$ for providing the service, and that they may also deduct up to $3.5 \%$ as a host fee if they contract with an out of state track to use that track's signal in their ADW program for their California patrons.

A dispute as to which organizations have a say in setting the hub fees has finally come to a head. The issue has raised questions that the CHRB may need to address: Is it only the CA racing association that has a contractual agreement with the ADW hub that negotiates with the hub to set the hub fee? Or, do the horsemen's organizations have a say in setting the hub fees, i.e., they work with the CA racing association when setting the hub fee? If so, what role do they play and how much weight do they have in setting the hub fees?

On a practical note: early in the start-up of ADW in California, certain Commissioners of the CHRB indicated their strong desire to see the horsemen participate in the development of ADW . This included agreements between the horsemen's organizations and the ADW hubs. Although some CA associations and the ADW hubs protested this extra-legal requirement, they relented to the CHRB's wishes and made agreements with the horsemen's organizations. After the initial start-up period was over, the horsemen have continued to insist on participating in the ADW approval process including the setting of hub fees - a position that has brought us to this agenda item.

The Thoroughbred Owners of California (TOC) have raised the issue of setting hub fees and the CA racing associations and the ADW hubs has joined the debate. Staff expects all sides to have representatives at the meeting to present their side of the issue.

## Recommendation:

This item for discussion and action.

# STAFF ANALYSIS <br> NOTWINC REQUEST FOR ADJUSTMENT TO STABLING AND VANNING RATE 

## REGULAR BOARD MEETING

AUGUST 17, 2006

## Background:

Pursuant to Section 19607.2 of the Business and Professions Code, a percentage of the satellite wagering handle in the Northern Zone can be used for a Stabling and Vanning program. The law allows up to $1.25 \%$ of the off-track handle for this purpose. The organization that administers the Stabling and Vanning program in the Northern Zone is the simulcast organization, NOTWINC.

NOTWINC is currently taking $.94 \%$ of the northern off-track handle to fund the Stabling and Vanning program. For various reasons, they periodically make adjustments to the percentage withheld for this purpose. The NOTWINC Board is made up of representatives from the two northern thoroughbred tracks, CARF and the TOC.

Although the exact number is not known at this time, NOTWINC has indicated that they are going to request an increase in the current amount withheld.

## Recommendation:

This item is for information and discussion.

## CALIFORNIA HORSE RACING BOARD

AUGUST 17, 2006<br>REGULAR BOARD MEETING

There is no board package material for Item 9 .

# STAFF ANALYSIS <br> PROPOSED REPEAL OF <br> RULE 1606. COUPLING OF HORSES <br> AND <br> RULE 1974. WAGERING INTEREST 

Regular Board Meeting<br>August 17, 2006

## BACKGROUND

Business and Professions (B\&P) Code Section 19420 provides that the Board shall have 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. B\&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out 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. B\&P Code Section 19562 provides the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. At the December 2005 Pari-Mutuel Operations Committee meeting the practice of coupling was reviewed. The issue was discussed again at the January 2006 Regular Board Meeting where staff was directed to start a 45-day public comment period for the proposed repeal of Rule 1606, Coupling of Horses; the proposed repeal of Rule 1974, Wagering Interest; and the amendment of Rule 1420 , Definitions, and a number of pari-mutuel wagering rule subsections that would be affected by the repeal of Rule 1606. At the April 2006 hearing for adoption staff reported the receipt of a large number of comments during the 45 -day public comment period - the majority of which were in opposition to the proposal. Persons who opposed the proposal to eliminate coupling generally stated it would increase the opportunity for manipulation of races, and add to the perception that California horse racing is "fixed." Opponents commented the rule was enacted for a reason, and did not believe repealing coupling could increase field size. A number of opponents wrote the move was "anti-fan." Comments opposing the proposal were received from the Sacramento Harness Association and the California Harness Horsemen's Association. Proponents tended to feel it is time to eliminate coupling. They stated every horse should be entered as a single wagering interest, and uncoupling would decrease fan confusion. Repealing coupling would also eliminate the possibility that a fan that wagers on an entry consisting of a favorite and a mediocre horse would be left with a wager on the lesser horse if the favorite were scratched. The Board took no action at the hearing for adoption of the proposed repeal of Rule 1606; instead, it decided to conduct an experimental suspension of Rule 1606, and to initiate a new 45 -day public comment period. The experiment initially involved the thoroughbred race meetings at Hollywood Park and Bay Meadows Race Track. Horses owned in whole or in part by the same person(s) could be uncoupled if there were five or more wagering interests entered to race. Hollywood Park and Bay Meadows agreed to keep statistics regarding the experiment. At the June 2006 Regular Board Meeting the experiment
was expanded to include the Los Alamitos Quarter Horse meeting through August 17, 2006, with the requirement that the same conditions as Hollywood Park and Bay Meadows would apply. In July 2006 the California Authority of Racing Fairs (CARF) requested that the racing fairs also be included in the experimental waiver of Rule 1606. The Board determined that fairs might request waivers on a case-by-case basis where stakes races have more than five racing interests. The racing secretary would contact the Executive Director for approval.

## ANALYSIS

The proposal to repeal Rule 1606 would eliminate the practice of coupling two or more horses as a single wagering interest when the same person(s) own such horses in whole or in part. If Rule 1606 is repealed, Rule 1974 could be folded into an amended Rule 1420, as the definition of "wagering interest" would no longer include coupling. In addition, a number of pari-mutuel regulations would need to be amended to eliminate coupling references.

Adopting the proposal will impact the following regulations, which are attached for review:

1954.1(h), Parlay Wagering on Win, Place or Show<br>1957(j), Daily Double<br>1959(d), Special Quinella (Exacta)<br>1976(e), Unlimited Sweepstakes<br>1976.8(d), Place Pick (n)<br>1976.9(c)(1), Pick (n) Pool<br>1977(c), Pick Three<br>1978(e), Select Four<br>1979(c), Trifecta<br>1979.1(c), Superfecta

While a repeal of Rule 1606 would allow uncoupling of horses under any circumstances, the experimental waiver provided for the uncoupling of horses when there were at least five wagering interests entered to race. If the experiment is considered successful, and the Board wishes to incorporate this provision into a regulation a new 45 -day public comment period would be required. Rule 1606 would be amended to allow uncoupling of horses when there are at least five wagering interests entered to race (See the attached draft "B" of Rule 1606). It would not be necessary to repeal Rule 1974, nor would the pari-mutuel regulations need amending.

## RECOMMENDATION

The Board may wish to hear from Bay Meadows, Hollywood Park and Los Alamitos regarding the results of their participation in the experimental waiver of Rule 1606.

This item is presented for discussion and action by the Board.

# CALIFORNIA HORSE RACING BOARD <br> TITLE 4. CALIFORNIA CODE OF REGULATIONS <br> ARTICLE 6. ENTRIES AND DECLARATIONS <br> PROPOSED REPEAL OF <br> RULE 1606. COUPLING OF HORSES 

Regular Board Meeting
August 17, 2006

## 1606. Coupling of Horses.

Two or more horses shall be coupled as-a-single-wagering interest and as an
entry when such horses are-owned in-whole or in part by the same persen or persens.

Autherity: Sections 19420,19440 and 19590 ,
Business and Professions Code.

Referenee: Section 19401,
Business and Professions Code-

CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 6. ENTRIES AND DECLARATIONS PROPOSED AMENDMENT OF
RULE 1606. COUPLING OF HORSES

## Regular Board Meeting

August 17, 2006
1606. Coupling of Horses.

Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons, and there are fewer than five wagering interests entered to race.

Authority: Sections 19420, 19440 and 19590, Business and Professions Code.

Reference: Section 19401, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED REPEAL OF
RULE 1974. WAGERING INTEREST
Regular Board Meeting
August 17, 2006
1974. Wagering Interest.

A wagering interest may be any one horse in a race, or may be two or more horses coupled as a single wagering interest as an "Entry" or the "Field." A declaration of withdrawal of one horse from-a wagering interest which consists of more than one horse shall have no effect on any-wagers made on-steh wagering interest.

# CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF RULE 1954.1. PARLAY WAGERING ON WIN, PLACE OR SHOW 

## Regular Board Meeting

August 17, 2006
1954.1. Parlay Wagering on Win, Place or Show.
(a) The parlay is not a separate pari-mutuel pool, it is a series of wagers (consisting of legs) combining wagering entries in Win, Place or Show pools. The initial amount wagered constitutes the wager on the first leg, and if successful, the payout from the first leg constitutes the wager on the second leg, etc.
(b) A parlay wager is limited to Win, Place or Show which have a corresponding pool conducted on the race selected. The wager must combine at least two races but not more than six races. The races in a parlay must be in chronological order but do not need to be consecutive races or combine the same type pool.
(c) A parlay wager may only be on one pool and one wagering interest per leg and cannot combine wagers on races on other days.
(d) Payouts included as wagers in subsequent races and the final payout the parlay wagerer shall be broken to the nearest dime. Parlay breakage shall be reported separately and added to regular breakage at the end of the day for the purpose of taxation and distribution.
(e) Parlay payouts will be included as wagers in subsequent pools by the track operator so the amount of such wagers, including their impact on the wagering odds, will be displayed. Wager totals in such pools shall be displayed in truncated fashion, to the lowest dollar.
(f) Parlay wagers may be cancelled by the ticket holder, in accordance with track policy, only before the start of the first parlay leg in which a parlay selection starts. Parlay wagers not cancelled must be completed or terminated by operation of these rules in order to be entitled to a payout.
(g) If a race, pool or wagering entry in a parlay is scratched, which includes an entry being declared a non-starter for wagering purposes, or a race or pool is cancelled, the parlay shall consist of the remaining legs. The parlay terminates if there are no remaining legs.
(h) A-wager on a coupled entry or field is considered a-wagef on the remaining part of the-coupled entry of field if any part of the-coupled entry or field stants-for parimutuel purpeses in accordance with Rule 1974 of this Article.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Sections 19594; and 19597 and 19598, Business and Professions Code.
1957. Daily Double.
(a) The Daily Double is a separate parimutuet pari-mutuel pool established on two (2) races. The pool consists of amounts wagered on the selection of the winning horse of both races. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.
(b) A valid Daily Double ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Daily Double provisions and rules contained in this Article article.
(c) The association shall distribute the net pool to holders of valid tickets that correctly selected the winner of both races. If no ticket selected the winner of both races, the net pool shall be distributed as a place pool among tickets that included the winner of the first race and tickets that included the winner of the second race.
(d) If no ticket included the winner of the first race the net pool shall be distributed equally among tickets that included the winner of the second race; and, if no ticket included the winner of the second race the net pool shall be distributed equally among tickets that included the winner of the first race.
(e) If no ticket included the winner of either race the net pool shall be distributed equally among tickets selecting the second place finishers of both races.
(f) The association shall refund the entire pool if no ticket requires a payout or if the first race is cancelled.
(g) If the second race is cancelled after the first race has been completed, the net pool shall be distributed as a single price pool among tickets selecting the winner of the first race.
(h) Before the first race is run, any money wagered on a horse in either race that is scratched, excused by the Stewards stewards or prevented from racing shall be deducted from the pool and refunded.
(i) If any horse is scratched, excused by the Stewards stewards or prevented from racing because of the failure of the stall doors or starting gate to open in the second race, after the first race has been completed, all tickets including such horse(s) shall be deducted from the pool, and the pool(s), thus formed shall be distributed as a straight pool(s) among tickets combining the winner of the first race with such horse(s).
(j) A wager on a coupled entry or fietd is considered-a-wager on the remaining part of the coupled entry or field if any part of suth entry -starts for parimutuel purposes in aceordance with Rule 1974.
(kj) If a dead heat occurs in either race the net pool is figured as a place pool. Example: Number eight (8) and five (5) dead heat in the first race, and number three (3) wins the second race, the pool would be divided and apportioned to tickets bearing eight (8) and three (3), and five (5) and three (3).

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Section 19594 19590, Business and Professions Code.

# CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS <br> ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF RULE 1959. SPECIAL QUINELLA (EXACTA) 

## Regular Board Meeting

August 17, 2006
1959. Special Quinella (Exacta).
(a) The Special Quinella is not a parlay and has no connection with or relation to the win, place and show pools shown on the totalizator board. All tickets on the Special Quinella will be calculated in a separate pool.
(b) A Special Quinella race shall be given a distinctive name to be selected by the association eondueting such race, such as "Perfecta" or "Exacta," subject to the approval of the Board.
(c) All Special Quinella tickets will be for the win and place combination only. Each person purchasing a Special Quinella ticket shall designate the exact order in which the first two horses will finish in a Special Quinella race. For example, if number $\mathbf{3}$ three is selected to finish first and number 6 six is selected to finish second, they must come in number 3 three, first and number $6 \underline{\text { six }}$ second in order to win.
(d) Entries or field horses in a race comprising the Special Quinella shall face-as-single wagering interests for the purposes of mutuel peol calculations and payouts to the public. If, in the event that any part of the entry or the field is a starter, there shall be no refund to persons-wagering on such entry or field. In the event any part of an entry or the field finishes first, the order of finish of all other herses making up-such entry or field-will be disregarded in determining which horse-finished-second for the purpose of this rule.
(ed) Should any horse or horses entered in a Special Quinella race be scratched or excused by the Stewards stewards after wagering has commenced or should any horse or horses be prevented from racing because of the failure of the stall doors of the starting gate to open, all tickets including such horse or horses shall be deducted from the Special Quinella Poel pool and money refunded to the purchasers of tickets on the horse or horses so excused or prevented from racing.
(fe) In the event that no ticket is sold on the winning combination of a Special Quinella Poot pool, the net pool shall be distributed equally among holders of tickets selecting the winning horse to finish first and holders of tickets selecting the second place horse to finish second.
(gf) In the event of a dead-heat between two horses for first place, the net pool shall be calculated and distributed as a place pool to holders of the winning combinations.
(hg) In the event of a dead-heat between two or more horses for place, all tickets designating the proper first horse to win which are coupled with any of the place horses involved in a dead-heat shall be the winners of the Special Quinella race and payouts calculated according to their respective interest in the net pool.
(ih) In the event of a dead-heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool shall be calculated as a win pool and distributed to those holding tickets on the other winning combinations. If no tickets combine the winning horse with either of the place horses in the dead-heat the Special Quinella Peol pool shall be calculated and distributed to holders of tickets designating the winning horse or either of the place horses according to their respective interest in the net pool.
(ji) In the event of a dead-heat among three or more horses for first place, the net pool shall be calculated and distributed to holders of tickets designating any two of the horses participating in the dead-heat according to their respective interest in the net pool.
(kj) In the event that no ticket is sold that would require distribution to any winner as above defined the Special Quinella shall be deemed "No Contest" and all money in the Special Quinella shall be promptly refunded.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Section 195941959 , Business and Professions Code.

# CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS <br> ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF RULE 1976. UNLIMITED SWEEPSTAKES 

## Regular Board Meeting

August 17, 2006
1976. Unlimited Sweepstakes.
(a) The Unlimited Sweepstakes parimutuet pari-mutuel pool is not a parlay and has no connection with or relation to any other parimettet pool conducted by the association, nor to any win, place and show pool shown on the totalizator, nor to the rules governing the distribution of such other pools.
(b) An Unlimited Sweepstakes parimutuel ticket shall be evidence of a binding contract between the holder of the ticket and the association and the said ticket shall constitute an acceptance of the Unlimited Sweepstakes provisions and rules contained in this article Artiele 18.
(c) An Unlimited Sweepstakes may be given a distinctive name by the association conducting the meeting, subject to approval of the Board.
(d) The Unlimited Sweepstakes parimutuet pool consists of amounts contributed for a selection for win only in each of nine races designated by the association with the approval of the Board. Each person purchasing an Unlimited Sweepstakes ticket shall designate the winning horse in each of the nine races comprising the Unlimited Sweepstakes.
(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race-comprising the Unlimited Sweepstakes-shall race-as a single wagering interest for the purpose of the-Unlimited Sweepstakes parimutuel pool caleulations
and payouts to the public. However if any part of either an entry or the field racing as a single wagering interest is a starter in a race the entry or the field selection shall remain as the designated selection to win in that race for the Unlimited Sweepstakes calculation and the selection shall not be deemed a seratch:
(fe) The Unlimited Sweepstakes parimutuel pool shall be calculated as follows:
(1) One hundred percent ( $100 \%$ ) of the net amount in the parimutuet pool subject to distribution among winning ticket holders shall be distributed among the holders of parimutuel tickets which that correctly designate the official winner in each of the nine races comprising the Unlimited Sweepstakes.
(2) In the event there is no parimutuel ticket properly issued which that correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, twenty five 25 percent (25\%) of the net amount in the parimutuel pool shall be distributed among the holders of parimutuel tickets which that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes, and the remaining seventy-five 75 percent ( $75 \%$ ) of the net amount in the parimutuet pool shall not be distributed as provided above but shall be retained by the association as distributable amounts and shall be carried over and included in the Unlimited Sweepstakes parimutuel pool for the next succeeding racing date as an additional net amount to be distributed as provided in subsection (fe)(1).
$(\mathrm{gf})(1)$ Except as provided in subsection (kj) and subsection (ml), should no distribution be made pursuant to subsections ( fe$)(1)$, then the distributable pool and all monies accumulated therein shall be carried over until that amount equals or exceeds five million dollars
$(\$ 5,000,000)$ or such lesser amount as the racing association designates to the Board at the time it files its license application with the Board.
(2) Once the pool and all monies accumulated therein equals or exceeds five million dollars, or such lesser amount designated by the racing association pursuant to subsection (gf)(1), that amount shall be distributed on the next racing day as provided in subsection (fe)(1); but if no holder of parimutuel tickets correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, then seventy-five 75 percent ( $75 \%$ ) of the pool shall be distributed among the holders of parimutuel tickets which that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining wenty five 25 percent (25\%) of the pool shall be distributed to those holders of parimutuel tickets which that correctly designate the next greatest number of official winners.
(hg) In the event an Unlimited Sweepstakes ticket designates a selection in any one or more of the races comprising the Unlimited Sweepstakes and that selection is scratched, excused or determined by the Stewards stewards to be a nonstarter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.
(ih) In the event of a dead heat for win between two or more horses in any Unlimited Sweepstakes race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.
(ji)(1) In the event that all nine races comprising the Unlimited Sweepstakes are cancelled or declared as no contest, all parimutuel tickets held on the Unlimited Sweepstakes for that day or night shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety for that day or night and any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2) shall be carried over to the next succeeding racing date of that meeting.
(2) In the event that fewer than nine, but no more than three, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the Stewards stewards declaring one or more races as no contest, the pool for that racing day shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety as provided in subsection (ji)(1).
(3) In the event that fewer than nine, but no fewer than four, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the Stewards stewards declaring one or more races as no contest, one hundred 100 percent (100\%) of the net amount in the parimutuel pool for that day or night, exclusive of any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2), shall be subject to distribution among holders of parimuttel tickets which that correctly designate the most winners in the completed races of the Unlimited Sweepstakes. The retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (£e)(2) shall be carried over to the next succeeding racing date of that meeting.
(kj) (1) Should no distribution be made pursuant to subsection (fe)(1) on the last day of the association's race meeting, then the distributable pool and all monies accumulated therein shall be distributed on that day. Seventy-five percent (75\%) of the pool shall be distributed among holders of parimtutuet tickets which that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining twenty-five 25 percent ( $25 \%$ ) of the pool shall be distributed to those holders of parimutuel tickets which that correctly designate the next greatest number of official winners.
(2) In the event that an association is unable to distribute the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (fe)(2) by the end of its race meeting due to cancellation of the final day(s) or night(s) of racing or any other reason, the retained distributable amount shall be carried forward to the next race meeting having an Unlimited Sweepstakes at the same location and of the same breed of horse as the racing association that generated the retained distributable amount. The retained distributable amount shall be included in the Unlimited Sweepstakes pool for the first day or night of racing at the subsequent race meeting.
(l) No parimutuel ticket for the Unlimited Sweepstakes pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the nine races comprising the Unlimited Sweepstakes, except for such refunds on Unlimited Sweepstakes tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Unlimited Sweepstakes pool or the number or amount of tickets selecting winners of Unlimited Sweepstakes races until such time as the Stewards stewards have determined the last race comprising the Unlimited Sweepstakes each day to be official.
(ml) The racing association may, at its election, designate to the Board, at the time it files its license application with the Board, one or more racing days (nights) during its racing meeting on which the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (fe)(2), shall be distributed as provided in subsection $(g f)(2)$, even though the retained amount is less than the amount specified in or designated by the racing association pursuant to subsection (gf)(1).

Authority: Sections 19420, 19440 and 19590, Business and Professions Code.

Reference: Section 19594 19590, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS<br>ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF RULE 1976.8. PLACE PICK (N)<br>Regular Board Meeting<br>August 17, 2006

1976.8. Place Pick (n).
(a) The Place Pick (n) is a separate parimutuel pari-mutuel pool established by the association on a designated number of races. The pool consists of amounts wagered on the horse to finish first or second in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection (ed), or to rules governing the distribution of other pools.
(b) A valid Place Pick (n) ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Place Pick (n) provisions and rules contained in this Artiele article.
(c) A Place Pick (n) may be given a distinctive name by the association conducting the meeting, subject to Board approval.
(d) A wager on a coupled entry or field is considered a-wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.
(ed) If a ticket in any race designates a selection that was scratched, excused or determined by the Stewards stewards to be a nonstarter in the race, the association may designate the actual favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, or may allow patrons the option of selecting an alternate
betting interest. The actual favorite or the alternate betting interest will be substituted for the non-starting selection for all purposes.
(fe) Exeept-as provided in strbsection (f)(1), in In a dead heat for win between two (2) or more horses, only the horses in such dead heat shall be considered winning horses.
(1) In-a dead heat for win between two (2) or more-coupled horses, all such horses together with the horse(s) which finishes next in order shall be considered winning herses.
( $Z 1$ ) Except-as provided in subsection ( f ), In a dead heat for second between two (2) or more horses, all such horses together with the horse which finished first shall be considered winning horses.
(gf) The association shall distribute the net pool to holders of valid tickets that correctly selected the most first or second place finishers.
(hg) All tickets shall be refunded if all races comprising the Place Pick (n) are cancelled or declared as no contest. The entire pool shall be refunded if less than four (4) races are completed and if four (4) or more races are completed the net pool shall be distributed pursuant to subsection (gf).
(ih) After wagering closes on the first race comprising the Place Pick (n) no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Place Pick (n) or the number or amount of tickets that selected winners of Place Pick (n) races until the Stewards stewards declare the last race official.

Authority: Sections 19440, and 19590 and 19593, Business and Professions Code.

Reference: Sections 19440, 19590, and 19593 and 19594, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD<br>TITLE 4. CALIFORNIA CODE OF REGULATIONS<br>ARTICLE 18. PARI-MUTUEL WAGERING<br>PROPOSED AMENDMENT OF<br>RULE 1976.9 PICK (N) POOL<br>Regular Board Meeting<br>August 17, 2006

1976.9. Pick (n) Pool.
(a) The Pick ( n ) requires selection of the first-place finisher in each of a number of races designated by the association. The association shall designate the percentage of the net pool considered the major share, and the percentage of the net pool considered the minor share, if any. The number of races comprising a Pick ( n ) must be at least four but no more than ten. Subsequent changes to the Pick (n) shall be requested in writing by the association. The Board or its designated representative shall respond in writing to requests within five working days of their receipt at Board headquarters.
(b) The major share of the net Pick ( n ) pool, along with the Pick ( n ) carryover, shall be distributed to ticket holders that selected the first-place finisher in each of the Pick (n) races, based upon the official order of finish, and the minor share of the net Pick (n) pool shall be distributed as a win pool to ticket holders whose selection finished first in the second greatest number of Pick ( n ) races; if there are no wagers selecting the first place finisher in each of the Pick (n) races, then:
(1) The minor share of the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick ( n ) races, and
(2) The major share of the net Pick ( n ) pool shall be retained by the association and added to the corresponding Pick ( n ) pool of the next performance. The additional Pick ( n ) pool resulting from such a carryover shall be termed the "Pick (n) carryover."
(c) In a dead heat for first in any of the Pick (n) races involving:
(1) Coupled horse or horses coupled to constitute the field, the Pick (n) pool shall be distributed as if a dead heat had net-eccurred,-or
(z1) Horses representing two or more wagering interests, all horses in the dead heat for win shall be considered winning horses to calculate the pool.
(d) If a wagering interest in any of the Pick (n) races is scratched, the association may designate the favorite, determined by total amounts wagered in the win pool at the close of wagering on that race, or allow patrons the option of selecting an alternate wagering interest. The favorite or alternate wagering interest shall be substituted for the scratched wagering interest for all purposes. If the association elects to designate the favorite and the win pool total is identical for two or more horses, the horse with the lowest program number is used. The totalizator shall produce written reports showing each of the wagering combinations with substituted wagering interests that became winners as a result of the substitution, in addition to the normal winning combination, at the end of each race where substitutions occur.
(e) The Pick (n) pool shall be canceled and all Pick (n) wagers for the individual performance-shall be refunded if:
(1) Three or more races included as part of a Pick 4, Pick 5 or Pick 6 are canceled or declared no contest; or
(2) Four or more races included as part of a Pick 7, Pick 8 or Pick 9 are canceled or
declared no contest; or
(3) Five or more races included as part of a Pick 10 are canceled or declared no contest.
(f) If at least one race included as part of a Pick (n) is canceled or declared no contest, but fewer than the number specified in subsection (e), the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick ( n ) races for that performance. Such distribution shall include the portion ordinarily retained for the Pick (n) carryover but not the carryover from previous performances.
(g) The Pick (n) carryover may be capped at an amount designated by the association, with Board approval. If, at the close of any performance, the carryover equals or exceeds the designated cap, it will be frozen until it is won or distributed under other provisions of this rule. After the carryover is frozen, $100 \%$ percent of the net pool shall be distributed to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance.
(h) Permission to distribute the Pick (n) carryover on a specific date and performance shall be obtained from the Board. The mandatory payout request must contain the intended date and performance for the distribution.
(i) If the Pick ( n ) carryover is designated for distribution on a specified date and performance in which no wagers selects the first-place finisher in each of the Pick (n) races, the entire pool including the carryover shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick ( n ) races. The Pick ( n ) carryover
shall be designated for distribution on a specified date and performance only under the following circumstances:
(1) With written approval from the Board as provided in subsection (h); or
(2) With written approval from the Board when there is a change in the carryover cap, a change from one type of Pick (n) wagering to another, or when the Pick (n) is discontinued; or
(3) On the closing performance of the meet or split meet.
(j) If the Pick (n) carryover must be carried over to the corresponding Pick (n) pool of a subsequent meet, it shall be deposited in an interest-bearing account approved by the Board. The Pick ( n ) carryover plus accrued interest shall then be added to the net Pick ( n ) pool of the following meet on a date and performance designated by the association, with Board approval.
(k) With Board approval, the association may contribute to the Pick (n) carryover a sum of money up to the amount of any designated cap.
(l) No ticket for the Pick (n) pool shall be sold, exchanged or canceled after the close of wagering in the first race comprising the Pick ( n ), except for refunds required by this rule.
(m) Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is prohibited. The totalizator will be programmed to suppress all information related to Pick (n) wagering activity until the conclusion of the final race except for the following:
(l) Total amount of the net pool at the close of Pick (n) wagering.
(2) Information regarding possible Pick (n) payouts for each of the runners when the last race of the Pick ( n ) pool is the only race remaining to be run.
( n ) If the racing surface changes from turf to dirt or dirt to turf in any race of a Pick ( n ) pool, and such change was not announced to the public before the close of wagering on the Pick ( n ) pool, all wagers on such race shall be considered winning wagers for the purposes of the Pick ( n ) pool.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Sections 19440, 19590 and 19593 and 19594 , Business and Professions Code.

CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF RULE 1977. PICK THREE<br>Regular Board Meeting<br>August 17, 2006

1977. Pick Three.
(a) The Pick Three is a separate parimutuet pari-mutuel pool established on three (3) consecutive races. The pool consists of amounts wagered on the winning horse in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection (hg), or to rules governing the distribution of other pools.
(b) A valid Pick Three ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Pick Three provisions and rules contained in this Article article.
(c) A wager on a coupled entry- or field is considered a-wager-on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.
(dc) The association shall distribute the net pool to holders of valid tickets that correctly selected the winners in all three (3) races.
(ed) In a dead heat for win between two (2) or more horses in any of the Pick Three races, all such horses shall be considered winning horses in that race for calculating the pool. The payout shall reflect the proportionate amount of money wagered on each winning combination.
(fe) If no ticket selected the winner in all three (3) races, the net pool shall be paid for tickets that selected the winner in any two ( 2 ) races; and if no ticket selected two ( 2 ) winners the net pool shall be paid for tickets that selected the winner of any one (1) race. The association shall refund the entire pool if no ticket selected the winner of any one (1) race.
(gf) If one (1) of the races is cancelled, the net pool shall be distributed as provided in subsection (fe). If more than one (1) race is cancelled the association shall refund the entire pool.
(hg) A ticket designating a selection that was scratched, excused or determined by the Stewards stewards to be a nonstarter in the race, shall have the favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, substituted for the non-starting selection for all purposes.
(ih) After wagering closes on the first race of the Pick Three no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Pick Three races or the number or amount of tickets that selected winners of Pick Three races until the Stewards stewards declare the last race official. After the second of the three ( 3 ) races, the association may display potential distributions dependent upon the outcome of the third race.

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\begin{array}{ll}
\text { Authority: } \quad \begin{array}{l}
\text { Sections } 19440 \text { and 19590, } \\
\text { Business and Professions Code. }
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Reference: Section 19594 19590, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS<br>ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF RULE 1978. SELECT FOUR<br>\section*{Regular Board Meeting}<br>August 17, 2006

1978. Select Four.
(a) The Select Four parimutuel pari-mutuel pool is not a parlay and has no connection with or relation to any other parimutuel pool conducted by the association, nor to any win, place and show pool shown on the totalizator board, nor to the rules governing the distribution of such other pools.
(b) A valid Select Four ticket shall be evidence of a binding contract between the holder of the ticket and the racing association, and the said ticket shall constitute an acceptance of Select Four provisions and rules contained in Article 18 this article.
(c) A Select Four may be given a distinctive name to be selected by the association conducting such races, such as "PICK 4", subject to the approval of the Board.
(d) The Select Four parimmtuel pool consists of amounts contributed for a selection for win only in each of four races designated by the association with the approval of the Board. Each person purchasing a Select Four ticket shall designate the winning horse in each of the four races comprising the Select Four.
(e) These horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Select Four shall race as a single wagering interest for the-purpese-of the-Select Four parimutuel pool caleulations and payouts to the public. Hewever, if any part of either an entry or the field racing as a single interest is a starter in a
face, the entry or the field selection shall remain as the designated-selection to win in that face for the Select Four ealeutation, and the selection shall not be deemed a-seratch.
(fe) The net amount in the parimttel pool subject to distribution among winning ticket holders shall be distributed among the holders of tickets whieh that correctly designate the winners in all four races comprising the Select Four.
(gf) If no ticket is sold combining the four winners of the Select Four, the net amount in the parimutuel pool shall be distributed among the holders of tickets whieh that include the winners of any three of the four races comprising the Select Four.
(hg) If no ticket is sold combining at least three winners of the Select Four, the net amount in the parimutuel pool shall be distributed among holders of tickets which that include the winner of any two races comprising the Select Four.
(ih) If no ticket is sold combining at least two winners of the Select Four, the net amount in the parimmtuel pool shall be distributed among holders of tickets whieh that include the winner of any one race comprising the Select Four.
(ji) If no ticket is sold that would require distribution of the Select Four pool to a winner under this rule, the association shall make a complete and full refund of the Select Four pool.
(kj) If for any reason one of the races comprising the Select Four is cancelled, the net amount of the parimutuel pool shall be distributed as provided above in subsections (f), (g), (h); and (i) and (j).
( $\mathbf{k}$ ) If for any reason two or more of the races comprising the Select Four is cancelled, a full and complete refund will be made of the Select Four pool.
(ml) In the event a Select Four ticket designates a selection in any one or more of the races comprising the Select Four and that selection is scratched, excused or determined by the Stewards stewards to be a non-starter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.
(f표) In the event of a dead heat for win between two or more horses in any Select Four race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.
(en) No parimutuel ticket for the Select Four pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the four races comprising the Select Four, except for such refunds on Select Four tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Select Four pool or the number or amount of tickets selecting winners of Select Four races until such time as the Stewards stewards have determined the last race comprising the Select Four to be official. Notwithstanding the above, at the conclusion of the third of the four races comprising the Select Four, an association may with the approval of the Board display potential distribution to ticket holders depending upon the outcome of the fourth race of the Select Four.

Authority: Sections 19420, 19440 and 19590, Business and Professions Code.

Reference: Section 1959419590 , Business and Professions Code.

CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF RULE 1979. TRIFECTA

## Regular Board Meeting

August 17, 2006
1979. Trifecta.
(a) The Trifecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second and third in that exact order. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.
(b) A valid Trifecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Trifecta provisions and rules contained in this article.
(c) No Trifecta pool shall be established for a race with less than six wagering interests scheduled to start when the Trifecta pool opens for wagering in California. A-wager on-a coupled entfy or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari muttel purpeses in accordance with Rule 1974.
(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that correctly selected the first, second and third finishers.
(e) In a dead heat for first or second position, only tickets selecting the correct order of finish for the first three finishers shall be winning tickets; that is, two horses in a dead heat for
first shall be first and second, in either position; and two horses in a dead heat for second shall be second and third, in either position. In a triple dead heat for first, the three horses shall be the winning combination regardless of the order of selection. In a triple dead heat for second, tickets with the correct first selection and two of the three horses shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and one of the three horses shall be winning tickets.
(f) If no ticket correctly selected the first, second and third position, the net pool shall be paid for tickets that selected first and second. If no ticket selected first and second the net pool shall be paid for tickets that selected first. The association shall refund the entire pool if no ticket selected first.
(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440, and 19590, Business and Professions Code.

Reference: Section 19594 19590, Business and Professions Code.

# CALIFORNIA HORSE RACING BOARD TITLE 4. CALIFORNIA CODE OF REGULATIONS ARTICLE 18. PARI-MUTUEL WAGERING PROPOSED AMENDMENT OF <br> <br> RULE 1979.1. SUPERFECTA 

 <br> <br> RULE 1979.1. SUPERFECTA}

Regular Board Meeting

August 17, 2006
1979.1. Superfecta.
(a) The Superfecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second, third, and fourth in that exact order. It is not a parlay and has no connection with other pools conducted by the association or to rules governing the distribution of other pools.
(b) A valid Superfecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Superfecta provisions and rules contained in this article.
(c) No Superfecta pool shall be established for a race with less than eight wagering interests scheduled to start when the Superfecta pool opens for wagering in California. A wager on-a coupled entry or field is considered a wager-on the remaining part of the coupled entry-or field if any part of the entry starts for pari mutull purpeses under Rule-1974- of this division.
(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that select the first, second, third, and fourth finishers.
(e) In a dead heat for first, second, or third position, only tickets selecting the correct order of finish for the first four finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; two horses in a dead heat for second
shall be second and third, in either position; and two horses in a dead heat for third shall be third and fourth, in either position. In a dead heat for fourth, tickets with the correct first, second, and third selection and one of the two horses in the dead heat for fourth shall be winning tickets. In a triple dead heat for first, tickets selecting the three horses in the dead heat, regardless of the order of selection, and the horse finishing fourth shall be winning tickets. In a triple dead heat for second, tickets with the correct first selection and all three horses in the dead heat shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and two of the three horses in the dead heat shall be winning tickets. In a triple dead heat for fourth, tickets with the correct first, second, and third selection and one of the horses in the dead heat shall be winning tickets.
(f) If no ticket selects the first, second, third, and fourth position, the net pool shall be paid for tickets that select first, second, and third. If no ticket selects first, second, and third position, the net pool shall be paid for tickets that select first and second. If no ticket selects first and second, the net pool shall be paid for tickets that select first. The association shall refund the entire pool if no ticket selects first.
(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Section 19594 19590, Business and Professions Code.

## AVERAGE DAILY LIVE HANDLE

JULY 2005 VS 2006

| Meet | Year | \# Days | Total Live Handle | Avg Daily Live Handle | Year | \# Days | Total Live Handle | Avg Daily Live Handle | Difference | \% Change |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Northern TB | 2005 | 13 | 40,163,033 | 3,089,464 | 2006 | 12 | 33,509,933 | 2,792,494 | (296,970) | -9.61\% |
| Southern TB | 2005 | 24 | 240,879,558 | 10,036,648 | 2006 | 23 | 235,306,030 | 10,230,697 | 194,049 | 1.93\% |
| Quarter Horse | 2005 | 19 | 22,762,890 | 1,198,047 | 2006 | 18 | 21,496,891 | 1,194,272 | $(3,775)$ | -0.32\% |
| Harness | 2005 | 15 | 10,663,565 | 710,904 | 2006 | 17 | 11,394,061 | 670,239 | $(40,665)$ | -5.72\% |
| Fairs | 2005 | 25 | 49,723,462 | 1,988,938 | 2006 | 25 | 46,992,254 | 1,879,690 | $(109,248)$ | -5.49\% |



AVERAGE DAILY LIVE HANDLE-CUMULATIVE
2005 VS 2006
December 26 - July 31

| Meet | 2005 Race Days to Date | Total Live Handle | Avg Daily Live Handle | $2006$ <br> Race Days to Date | Total Live Handle | Avg Daily Live Handle | Difference | $\%$ <br> Change |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Bay Meadows | 71 | 191,018,461 | 2,690,401 | 59 | 163,445,298 | 2,770,259 | 79,858 | 2.97\% |
| Golden Gate | 57 | 172,476,162 | 3,025,898 | 65 | 167,459,308 | 2,576,297 | $(449,601)$ | -14.86\% |
| Hollywood Park | 64 | 504,491,704 | 7,882,683 | 61 | 489,604,077 | 8,026,296 | 143,613 | 1.82\% |
| Santa Anita-LATC | 85 | 684,790,551 | 8,056,359 | 86 | 780,795,485 | 9,079,017 | 1,022,658 | 12.69\% |
| Del Mar | 11 | 123,396,502 | 11,217,864 | 12 | 124,014,279 | 10,334,523 | $(883,341)$ | -7.87\% |
| Los Alamitos | 122 | 144,935,855 | 1,187,999 | 123 | 149,309,284 | 1,213,897 | 25,898 | 2.18\% |
| Harness | 122 | 78,976,464 | 647,348 | 118 | 89,384,390 | 757,495 | 110,147 | 17.02\% |
| San Joaquin Fair | 10 | 13,319,292 | 1,331,929 | 10 | 10,959,014 | 1,095,901 | $(236,028)$ | -17.72\% |
| Alameda County Fa | 11 | 22,937,877 | 2,085,262 | 11 | 21,961,445 | 1,996,495 | $(88,767)$ | -4.26\% |
| Solano County Fair | 11 | 19,924,152 | 1,811,287 | 11 | 18,146,130 | 1,649,648 | $(161,638)$ | -8.92\% |
| Sonoma County Fail | 5 | 10,343,563 | 2,068,713 | 6 | 11,825,398 | 1,970,900 | $(97,813)$ | -4.73\% |



Figures shown for each Association/Fair

|  | PURSE |  |  |  |  |  |  |  |  | 20 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| MEET | Purse 05 | Purse 06 | Difference | Change | Track 05 | Track 06 | Difference | Change | State 05 | State 06 | Difference | Change |
| Bay Meadows | 6,049,560 | 5,230,691 | (818,869) | -13.54\% | 6,244,168 | 5,390,346 | $(853,822)$ | -13.67\% | 777,993 | 666,284 | (111,709) | -14.36\% |
| Golden Gate | 5,209,187 | 5,402,318 | 193,131 | 3.71\% | 5,320,102 | 5,503,312 | 183,210 | 3.44\% | 742,645 | 718,655 | (23,990) | -3.23\% |
| Hollywood Park | 18,439,881 | 17,976,037 | $(463,844)$ | -2.52\% | 18,775,320 | 18,313,004 | $(462,316)$ | -2.46\% | 4,224,723 | 3,940,006 | $(284,717)$ | -6.74\% |
| Santa Anita-LATC | 25,309,967 | 28,998,184 | 3,688,217 | 14.57\% | 25,730,153 | 34,667,001 | 8,936,848 | 34.73\% | 6,100,714 | 6,857,641 | 756,927 | 12.41\% |
| Del Mar | 4,400,615 | 4,980,348 | 579,733 | 13.17\% | 4,507,809 | 5,106,525 | 598,716 | 13.28\% | 1,035,434 | 1,176,799 | 141,365 | 13.65\% |
| Los Alamitos | 6,503,341 | 6,532,104 | 28,763 | 0.44\% | 6,842,130 | 6,870,447 | 28,317 | 0.41\% | 454,980 | 456,230 | 1,250 | 0.27\% |
| Harness | 4,087,278 | 4,491,671 | 404,393 | 9.89\% | 4,147,115 | 4,491,487 | 344,372 | 8.30\% | 283,318 | 260,116 | $(23,202)$ | -8.19\% |
| San Joaquin Fair | 529,637 | 658,487 | 128,850 | 24.33\% | 518,078 | 653,448 | 135,370 | 26.13\% | 118,295 | 151,748 | 33,453 | 28.28\% |
| Alameda County Fair | 915,280 | 853,068 | $(62,212)$ | -6.80\% | 884,565 | 827,500 | (57,065) | -6.45\% | 208,919 | 184,831 | (24,088) | -11.53\% |
| Solano County Fair | 627,275 | 609,038 | $(18,237)$ | -2.91\% | 619,056 | 603,371 | $(15,685)$ | -2.53\% | 143,618 | 135,719 | $(7,899)$ | -5.50\% |
| Sonoma County Fair | 411,283 | 453,454 | 42,171 | 10.25\% | 398,207 | 439,690 | 41,483 | 10.42\% | 97,361 | 102,876 | 5,515 | 5.66\% |
| TOTAL | 72,483,304 | 76,185,400 |  |  | 73,986,703 | 82,866,131 |  |  | 14,188,000 | 14,650,905 |  |  |



Dec. 26, 2004 - July 31, 2005 vs Dec. 26, 2005 - July 31, 2006

CUMULATIVE AVERAGE DAILY ATTENDANCE
2005 VS 2006
December 26 －July 31

| Meet | Attendance to <br> Date 2005 | Avg．Daily <br> Attendance | Attendance to <br> Date 2006 | Avg．Daily <br> Attendance | Avg Daily <br> Change | \％ <br> Change |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Northern TB | 849,257 | 6,635 | 797,726 | 6,433 | $(202)$ | $-3.04 \%$ |
| Southern TB | $2,871,080$ | 17,944 | $2,807,428$ | 17,657 | $(287)$ | $-1.60 \%$ |
| Quarter Horse | 572,594 | 4,693 | 545,872 | 4,438 | $(255)$ | $-5.43 \%$ |
| Harness | 464,802 | 3,810 | 458,801 | 3,888 | 78 | $2.05 \%$ |
| Fairs | 296,247 | 8,007 | 270,038 | 7,106 | $(901)$ | $-11.25 \%$ |



## STAFF ANALYSIS

## DISCUSSION ON SENATE BILL 746 (VINCENT)

Regular Board Meeting
August 17, 2006

## BACKGROUND

Under current law, thoroughbreds may also race at quarter horse racing meetings. This bill seeks to limit the number of thoroughbreds racing in quarter horse races.

Under current law, all associations or fairs that operate as a satellite wagering facility shall display signals and accept wagers on all live races conducted in this state without regard to breed. This bill seeks, to a limited extent, to exempt the night industry from this provision of satellite wagering law.

Under current law, impact fees are not specifically addressed. This bill would recognize impact fees and place a cap on the amount of impact fee that may be set between the quarter horse and harness associations.

## ANALYSIS

SB 746 was amended by Senator Vincent on June 26, 2006, to include the following:

1) Thoroughbreds shall constitute less than half the number of horses in races written for quarter horses, except in the case that an exception is granted with the consent of the quarter horse horsemen's organization contracting with the quarter horse racing association;
2) A quarter horse racing association in the southern zone is exempt from the requirements of satellite wagering law that require they take a simulcast wagering signal from a harness racing association in the northern zone when live quarter horse racing is being conducted unless there is a written agreement in place between the quarter horse and harness associations;
3) A harness racing association in the northern zone is exempt from the requirements of satellite wagering law that require they take a simulcast wagering signal from a quarter horse racing association in the southern zone when live harness racing is being conducted unless there is a written agreement in place between the quarter horse and harness associations; and
4) Any impact fees assessed can be no greater than 5 percent.

At this time the bill is on the Assembly Floor, and, if passed, will go to the Governor for sign or veto.

The CHRB currently has an approved "oppose" position from the Governor's Office. The reasons for this position are as follows:

1) The bill was substantially amended into its present form in the last committee of the second house, thus precluding any meaningful discussion of the bill's issues.
2) One of the main components of SB 14 (Maddy, Ch 1273, Statutes of 1987) for satellite wagering is that there would be no "picking and choosing" of which satellite signal each location could accept, but created an "all or nothing" system. The intent of this was to insure that smaller racing associations would not be shut out of satellite opportunities. This bill creates a precedent that would allow selection of satellite wagering signals.
3) The bill does not contain any approval or oversight mechanism for the CHRB.
4) The bill places into law a system that is currently in practice.

Industry representatives state that they intend to further amend this bill. These amendments would more closely follow current law in that they would:

1) Continue to require that all signals offered for satellite wagering be accepted, thus eliminating any concern about "picking and choosing";
2) Acknowledge the payment of impact fees and sets the amount; and
3) Acknowledge current CHRB authority to audit the associations involved and insure that the provisions of this law are carried out. This would eliminate any unregulated agreement.

These amendments are significant and, once they are in print, would require that the CHRB reassess their current recommended position.

RECOMMENDATION
This item is placed on the agenda for discussion.

# Introduced by Senator Vincent 

February 22, 2005

An act to amend-Seetion 1940+ Sections 19533 and 19601 of the Business and Professions Code, relating to horse racing.

## LEGISLATIVE COUNSEL'S DIGEST

SB 746, as amended, Vincent. Horse racing.
Existing law gives the California Horse Racing Board the authority to regulate horse racing and parimutuel wagering on horse races in California. The board sets the standards for the types of races that may be run and the types of horses that may be run, within statutory guidelines. Existing law allows the board to grant licenses to an association only for races between horses of a single breed, but allows some thoroughbred and Appaloosa horses to run in races shorter than 5 furlongs with other breeds, subject to specified conditions.
This bill would restrict the number of thoroughbred horses in these races to less than half unless given the consent of the quarter horse horsemen's association that is contracting with the association running the race.
Existing law requires satellite facilities to show and accept wagers on all other live horse races in the state.

This bill would create exemptions, as specified, in the southern and northern zones.

Existing law regulates parimutuel wagering on horse racing, with the intention of eneouraging agrieulture, horse breeding, California fairs, and the expansion of horse raeing opportunities. Further,
existing law provides for uniformity of regulation in each type of horse racing.
This bill would speeify expansion is to be eneouraged in live horse racing opportunities.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.
The people of the State of California do enact as follows:

SECTION 1. Section 19533 of the Business and Professions Code is amended to read:
19533. (a) Any license granted to an association other than a fair shall be only for one type of racing, thoroughbred, harness, or quarter horse racing as the case may be, except that the board may authorize the entering of thoroughbred and Appaloosa horses in quarter horse races at a distance not exceeding five furlongs at quarter horse meetings, mixed breed meetings, and fair meetings. If the board authorizes the entering of thoroughbred or Appaloosa horses in quarter horse races, the following conditions shall be met:
(1) Any race written for participation by quarter horses, Appaloosas, and thoroughbreds shall be written as quarter horse preferred.
(2) The number of races written as quarter horse preferred at a distance exceeding 870 yards shall not exceed more than three races per program without the consent of the quarter horse horsemen's organization contracting with the association.
(3) More than one-half of the races on any program shall be for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.
(4) Mixed races with Appaloosa and quarter horses may only be written with the consent of the quarter horse horsemen's organization contracting with the association.
(5) Thoroughbreds shall constitute less than half the number of horses in these races although an exception may be granted on a race-to-race basis with the consent of the quarter horse horsemen's organization contracting with the association.
(b) The association that conducts the meeting shall pay to a thoroughbred trainers' organization an amount for a pension plan
for backstretch personnel to be administered by that trainers' organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. Any redistributable money paid to the board pursuant to Section 19641, which is paid to a welfare fund established by a horsemen's organization from races with both thoroughbred and quarter horses, shall be divided pro rata between the two welfare funds based on the number of thoroughbreds and quarter horses in the race.
(c) (1) Notwithstanding any other provision of law, any association licensed to conduct quarter horse racing may apply to the board for, and the board shall grant, authority to conduct thoroughbred racing as part of its racing program if all of the following conditions are met:
(A) The thoroughbred races are for a claiming price of not more than five thousand dollars ( $\$ 5,000$ ), and at a distance of four and one-half furlongs or less. The races may not be stakes, allowance races, or maiden allowance races.
(B) More than one-half of the races on any program shall be for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.
(C) The consent of the quarter horse horsemen's organization contracting with the association is obtained with respect to the inclusion of thoroughbred racing.
(2) The quarter horse racing association conducting thoroughbred racing pursuant to this subdivision shall pay to a quarter horse horsemen's organization the amount specified in subdivision (e) of Section 19613, and an amount for a pension plan for backstretch personnel to be administered by a thoroughbred trainers' organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. The quarter horse racing association shall also deduct the appropriate amount to comply with subdivision (a) of Section 19617.2 for distribution to the thoroughbred official registering agency.

SEC. 2 Section 19601 of the Business and Professions Code is amended to read:
19601. (a) Notwithstanding any other provision of law, a licensed association or fair that is conducting a live meeting in
any racing zone may accept wagers on any race conducted in this state, if all of the following requirements are met:
(1) The association or fair that conducts the racing meeting and the organization that is responsible for negotiating purse agreements on behalf of the horsemen participating in that racing meeting consent to the acceptance of the wagers. However, if consent is withheld, any party may appeal the withholding of consent to the board, which may determine that consent is not required.
(2) The association or fair conducts not less than eight races on days when the association or fair is licensed to conduct racing, except that fewer than eight live races per day may be conducted by the mutual agreement of the association or fair and the organization that is responsible for negotiating purse agreements on behalf of the horsemen participating in the racing meeting.
(3) Wagering is offered only within the association's or fair's racing inclosure or within the satellite wagering facility and only within seven days of the commencement of the racing program with the transmitted race.
(4) All wagers are included in the appropriate parimutuel pool at the racetrack of the association or fair where the race is conducted, or, in the appropriate parimutuel pool of the racetrack of the association or fair that accepts the transmitted race.
(5) The association or fair accepting wagers on an out-of-zone transmitted race distributes the audiovisual signal of the race to, and accepts wagers from, all eligible satellite wagering facilities.
(b) Any association or fair accepting wagers under subdivision (a) shall deduct, from the total amount handled in each conventional and exotic parimutuel pool on the transmitted race, the same percentages deducted pursuant to Article 9.5 (commencing with Section 19610) for races at its own meeting. However, if the wagers are from a quarter horse race meeting, then the amounts deducted shall be the same as for a quarter horse race meeting. Amounts deducted under this section, including amounts deducted from wagers on out-of-zone races within the inclosure of the association or fair, shall be distributed as provided under Sections 19605.7, 19605.72, and 19605.73 with respect to wagers made within the northern zone, or Sections 19605.71, 19605.72, and 19605.73 with respect to wagers made within the central or southern zone, except that
amounts distributed for purposes other than state license fees and fees payable to the Center for Equine Health, School of Veterinary Medicine, University of California at Davis, and the California Animal Health and Food Safety Laboratory shall be proportionally reduced by the amount of any fees paid to the Triple Crown or Breeder's Cup day host association pursuant to subdivision (c). The method used to calculate the reduction in proportionate share shall be approved by the board. For wagers on out-of-state and out-of-country races made within the association's or fair's inclosure, 1 percent shall be distributed to the association or fair as a satellite wagering facility commission.
(c) Nothing in this section precludes an association or fair from charging a fee as a condition of transmitting the Triple Crown or Breeder's Cup day races, except that any fee shall be allocated among all associations, fairs, and satellite wagering facilities receiving the transmitted race in proportion to the amount wagered at each location, and the fee shall equal that charged by the entity conducting the race or races. Further, the only fee that can be charged as a condition of transmitting the signal of an out-of-zone race shall be a fee of 2.5 percent on Breeder's Cup day races.
(d) All breakage and unclaimed tickets, including unclaimed refunds, shall be distributed equally between the association or fair that accepts wagers on the transmitted race, and the horsemen, in the form of purses. The purse moneys generated by this subdivision shall be made available for purses during the meeting in which they are received by the association or fair, or, if the association or fair is not then conducting a live racing meeting, during the next succeeding meeting of the association or fair.
(e) All wagers made pursuant to this section shall be considered to have been wagered at a satellite wagering facility and shall be excluded from total handle for the purposes of Section 19611.
(f) Notwithstanding Section 19530.5, satellite wagering facilities operated by a fair, in the Counties of Fresno, Kern, or Tulare shall be considered northern zone facilities and shall receive their audiovisual signal from the association or fair conducting a racing meeting in the northern zone that is authorized to distribute the signal and accept wagers on central
and southern zone races. Satellite wagering facilities operated by a fair, in the Counties of Santa Barbara or Ventura shall be considered central-southern zone facilities and shall receive the audiovisual signal from the association or fair conducting a racing meeting in the central or southern zone that is authorized to distribute the signal and accept wagers on northern zone races.
(g) All purse moneys derived from wagering on out-of-zone races at fair racing meetings shall be distributed to all breeds of horses participating in the fair meeting in direct proportion to the purse money generated by breed on live races conducted during the fair race meeting.
(h) During calendar periods when both a fair and a thoroughbred association conduct live racing, the amounts deducted under this section shall be distributed on any day of overlap as provided in Section 19607.5, except that the applicable state license fee shall be at the rate specified for nonfair meetings in subdivision (b) of Section 19605.7.
(i) During calendar periods when a thoroughbred association and a fair, or a thoroughbred association and any other breed association are conducting a racing meeting in the same zone, the thoroughbred association shall be the association authorized to distribute out-of-zone, out-of-state, or out-of-country thoroughbred or fair races, except that the thoroughbred association may waive this right and allow the other breed racing association conducting a race meeting to distribute the signal and accept wagers on out-of-zone, out-of-state, or out-of-country thoroughbred or fair races for any racing day or days. For the purposes of this subdivision, the combined central and southern zone shall be considered one zone.
(j) In order to ensure, to the extent possible, that out-of-state and out-of-country simulcasting, furthers the purposes of this section, a committee made up of one representative from each of the then-operating thoroughbred associations or fairs that are conducting a live racing meeting in the state and one representative of the organization responsible for negotiating purse agreements on behalf of the horsemen participating in the meeting shall do the following:
(1) Determine the out-of-state or out-of-country thoroughbred races to be imported on a statewide basis pursuant to provisions of this chapter.
(2) Ensure, to the extent possible, that the fees charged by out-of-state or out-of-country entities for these signals are at the lowest obtainable rate and at the same rate statewide, in order to maximize the revenue available to in-state associations and fairs and their horsemen.
(3) Ensure, to the extent possible, due to the reciprocal nature of the interstate simulcasting business, that the maximum obtainable revenue is generated by the sale to out-of-state entities of the audiovisual signal of races conducted in this state by thoroughbred associations and fairs.
(4) Ensure that program information requirements for in-state signals comply with the standards of the board, but provide that abbreviated program formats may be used for races imported from other jurisdictions.
(k) Notwithstanding any other provision of law, any thoroughbred association or fair, when operating a live racing meeting, shall distribute the signal of all races conducted by, or disseminated by, that association or fair to, and accept wagers on these races from, any association that is licensed to conduct a live quarter horse or harness racing meeting in Orange County and that conducted such a meeting in 1998.
( $l$ ) Notwithstanding any other provision of law, all associations or fairs when operating as eligible satellite wagering facilities shall be in compliance with, and subject to the provisions of, Article 9.2 (commencing with Section 19605) of this chapter, and shall display the signal and accept wagers on all live races conducted in this state without regard to breed. Notwithstanding the foregoing provision, a thoroughbred racing association located in the city of Arcadia is exempt from these requirements for live harness and quarter horse races conducted at night unless the thoroughbred racing association facility is open for business at that time and is accepting wagers on other night signals pursuant to this chapter. Further,
Additionally, a quarter horse racing association located in the southern zone is exempt from these requirements for live harness races on those nights when live quarter horse racing is conducted unless there is a written agreement between the harness and quarter horse racing associations and the quarter horse racing associations agree to accept wagers on live harness races. A harness racing association located in the northern zone

1 is exempt from these requirements for live quarter horse racing 2 on nights when live harness racing is conducted unless there is a 3 written agreement between the quarter horse and harness racing 4 associations and the harness racing association agrees to accept 5 wagers on live quarter horse races, regardless of whether the 6 harness racing association is the entity that operates the satellite 7 wagering facility in the northern zone. Any impact fee agreed to 8 by these associations shall be no greater than 5 percent of the 9 amount wagered at the satellite facility. Further, satellite 10 wagering facilities located at fairs may, but are not required to, races unless the facility is open for business at the time and accepting wagers on other signals pursuant to this chapter.
SECTION 1. Seetion 19401 of the Business and Professions Gode is amended to read.
19401. The intent of this ehapter is to allow parimutuet wagering on horse raees, while:
(a) Assuring protection of the public.
(b) Eneouraging agrieulture and the breeding of horses in this state.
(e) Supporting the network of Califomia fairs.
(d) Providing for maximum expansion of live horse racing opportunities in the public interest.
(e) Providing uniformity of regulation for each type of horse raeing.

# STAFF ANALYSIS <br> STAFF REPORT ON END-OF-MEET RESULTS <br> REGULAR BOARD MEETING AUGUST 17, 2006 

## Background:

This item contains end-of-meet reports for the recently concluded race meets. Staff is prepared to answer questions regarding the information presented.

## Recommendation:

These items are for information and discussion.

## END-OF-MEET OUTLINE SUMMARY

For the California Horse Racing Board meeting, August 17, 2006. This report includes a summary for the following racing meetings: HOLLYWOOD PARK, ALAMEDA COUNTY FAIR, and SOLANO COUNTY FAIR.

## Hollywood Park Meet

April 26 - July 16, 2006
Race days: 61
AVERAGE DAILY STATISTICS
PERCENTAGE CHANGE
Ave. Daily Handle $\quad 1.11 \%$
Ave. On-Track -2.65\%

Ave. Off-Track -3.25\%
Ave. Interstate-Exported 4.43\%
Ave. ADW 6.42\%
Ave. Daily Attendance-Calif. -16.61\%
Ave. On-Track -24.61\%
Ave. Off-Track -9.84\%

Alameda County Fair at Pleasanton
June 28 - July 9, 2006
Race days: 11
AVERAGE DAILY STATISTICS
PERCENTAGE CHANGE
-7.03\%
Ave. Daily Handle 19.25\%

Ave. On-Track
Ave. Off-Track -9.56\%
Ave. Interstate-Exported $\quad 4.92 \%$
Ave. ADW -3.26\%
Ave. Daily Attendance-Calif. $-11.64 \%$
Ave. On-Track -15.58\%
Ave. Off-Track -6.80\%

## August 17, 2006

## Solano County Fair at Vallejo

 July 12 - July 24, 2006 Race days: 11
## AVERAGE DAILY STATISTICS

## PERCENTAGE CHANGE

Ave. Daily Handle
-7.03\%
Ave. On-Track -25.37\%

Ave. Off-Track -6.66\%
Ave. Interstate-Exported -3.37\%
Ave. ADW -3.79\%
Ave. Daily Attendance-Calif. -14.58\%
Ave. On-Track -40.81\%
Ave. Off-Track -4.68\%

## HOLLYWOOD PARK

| YEAR | 2002 |
| :--- | ---: |
|  |  |
| TOTAL DAYS | 65 |
| TOTAL HANDLE | $651,487,880$ |
| ON-TRACK | $128,499,426$ |
| OFF-TRACK | $220,785,642$ |
| OUT-OF-STATE | $266,343,795$ |
| ADW | $35,859,017$ |
| LIVE | $500,667,632$ |
| INTRA-STATE | $60,896,619$ |
| INTER-STATE IMPORTED | $89,329,715$ |
| INTERNATIONAL IMPORTED | 593,914 |
|  |  |
| AVE. DAILY HANDLE | $10,022,890$ |
| ON-TRACK | $1,976,914$ |
| OFF-TRACK | $3,396,702$ |
| INTERSTATE | $4,097,597$ |
| ADW | 551,677 |
| AVE. CALIFORNIA HANDLE | $5,373,616$ |
| AVE. LIVE | $7,702,579$ |
| INTRASTATE IMPORTED | 936,871 |
| INTERSTATE IMPORTED | $1,374,303$ |
| INTERNATIONAL IMPORTED | 9,137 |
|  |  |
| TOTAL TAKEOUT | $124,574,219$ |
| EFFECTIVE TAKEOUT | $19,12 \%$ |
| STATE LICENSE FEES | $8,018,148$ |
| STATE \% | $1.23 \%$ |
| TRACK COMMISSIONS | $24,362,010$ |
| ADW COMMISSIONS | $1,494,243$ |
| TOTAL COMMISSIONS | $25,856,253$ |
| TRACK \% | $3,97 \%$ |
| HORSEMENS PURSES | $23,892,949$ |
| ADW PURSES | $1,464,348$ |
| TOTAL PURSES | $25,357,297$ |
| HORSEMENS \% | $3.89 \%$ |
|  |  |

2003
65

## 663,272,662 120,433,415 213,261,776 274,740,167 54,837,304 513,054,594 58,332,995 91,885,073

$10,204,195$
$1,852,822$
3,280,950
4,226,772 843,651
5,133,772
7,893,148 897,431
$1,413,617$

125,477,110
18.92\%

7,760,408
1.17\%

23,089,750
2,095,367
25,185,117
3.80\%

22,647,298
2,045,598
24,692,896
$3.72 \%$

2004
65

| $662,871,626$ | $655,750,992$ |
| ---: | ---: |
| $113,796,028$ | $110,118,152$ |
| $213,326,568$ | $205,553,606$ |
| $259,792,380$ | $250,083,276$ |
| $75,956,651$ | $89,995,959$ |
| $512,490,379$ | $504,031,443$ |
| $56,475,116$ | $51,682,930$ |
| $93,906,131$ | $86,157,772$ |
| - | $13,878,847$ |
| $10,198,025$ | $10,246,109$ |
| $1,750,708$ | $1,720,596$ |
| $3,281,947$ | $3,211,775$ |
| $3,996,806$ | $3,907,551$ |
| $1,168,564$ | $1,406,187$ |
| $5,032,655$ | $4,932,371$ |
| $7,884,467$ | $7,875,491$ |
| 868,848 | 807,546 |
| $1,444,710$ | $1,346,215$ |
| - | 216,857 |

127,165,483
19.39\%

7,200,320
1.10\%

21,960,729
$3,852,178$
$25,812,908$
3.94\%

21,558,296 3,768,984 25,327,279 3.86\%

631,955,072 102,179, 181 189,560,274 248,931,572
91,284,045
489,604,077
46,085,284
82,343,353
13,922,358
10,359,919
1,675,069
3,107,545
4,080,845
1,496,460
4,782,614
8,026,296
755,496
1,349,891
228,235
123,865,684
19.60\%

6,697,435
1.06\%

20,645,199
4,241,061
24,886,260
3.94\%

20,239,330
4,153,970
24,393,300
$3.86 \%$

HOLLYWOOD PARK

| YEAR | 2002 | 2003 | 2004 | 2005 | 2006 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| TOTAL DAYS | 65 | 65 | 65 | 64 | 61 |
| CAIIFORNIA ATTENDANCE | 1,307,378 | 1,221,782 | 1,185,404 | 1,085,427 | 905,136 |
| ON-TRACK | 592,789 | 552,396 | 542,595 | 497,465 | 375,027 |
| OFF-TRACK | 714,589 | 669,386 | 642,809 | 587,962 | 530,109 |
| DAILY ATTENDANCE | 20,114 | 18,797 | 18,237 | 16,960 | 14,838 |
| AVERAGE DAILY ON - TRACK | 9,120 | 8,498 | 8,348 | 7,773 | 6,148 |
| AVERAGE DAILY OFF - TRACK | 10,994 | 10,298 | 9,889 | 9,187 | 8,690 |
| TOTAL RACE EVENTS | 557 | 558 | 558 | 551 | 531 |
| STARTS | 4,393 | 4,293 | 4,461 | 4,266 | 4,304 |
| AVERAGE STARTS PER EVENT | 7.9 | 7.7 | 8.0 | 7.7 | 8.1 |
| AVERAGE HANDLE PER START | 113,969 | 119,510 | 114,882 | 118,151 | 113,756 |

HOLLYWOOD PARK


AVERAGE DAILY HANDLE

## ALAMEDA COUNTY FAIR

| YEAR | 2002 |
| :--- | ---: |
|  |  |
| TOTAL RACE DAYS | 11 |
|  |  |
| TOTAL HANDLE | $33,088,663$ |
| ON-TRACK | $6,802,265$ |
| OFF-TRACK | $18,407,768$ |
| OUT-OF-STATE | $7,460,089$ |
| ADW | 418,541 |
| LIVE | $17,922,142$ |
| INTRASTATE IMPORTED | $7,988,183$ |
| INTERSTATE IMPORTED | $7,056,167$ |
| INTERNATIONAL IMPORTED | 122,172 |
|  |  |
| AVERAGE DAILY HANDLE | $3,008,060$ |
| ON-TRACK | 618,388 |
| OFF-TRACK | $1,673,433$ |
| INTERSTATE | 678,190 |
| ADW | 38,049 |
| AVERAGE LIVE | $1,640,392$ |
| INTRASTATE IMPORTED | 726,198 |
| INTERSTATE IMPORTED | 641,470 |
| INTERNATIONAL IMPORTED | 11,107 |
|  |  |
| TOTAL TAKEOUT | $6,528,719$ |
| EFFECTIVE TAKEOUT | $19.73 \%$ |
| STATE LICENSE FEES | 372,305 |
| STATE \% | $1.13 \%$ |
| TRACK COMMISSIONS | $1,265,780$ |
| ADW COMMISSIONS | 11,055 |
| TOTAL COMMISSIONS | $1,276,835$ |
| TRACK \% | $3.86 \%$ |
| HORSEMEN'S PURSES | $1,282,759$ |
| ADW PURSES | 11,195 |
| TOTAL PURSES | $1,293,954$ |
| HORSEMEN'S \% | $3,91 \%$ |

2003
11
$34,419,955$
$6,134,946$
$17,519,030$
$8,474,107$
$2,291,873$
$20,045,504$
$7,293,359$
$7,081,093$
0

3,129,087
557,722
1,592,639
770,373
208,352
1,822,319
663,033
643,736

6,884,133
20.00\%

352,091
1.02\%

1,166,137
103,886
1,270,023
3.69\%

1,180,660
105,325
1,285,985
3.74\%

83,850

2004
11
$35,782,995$
$6,298,354$
$16,964,061$
$9,513,928$
$3,006,652$
$21,870,024$
$6,632,560$
$7,280,411$

3,253,000 572,578
1.542,187
864,903

273,332
1,988,184 602,960 661,856

7,253,774
20.27\%

353,000
0.99\%
$1,205,405$
134,984
1,340,389
$3.75 \%$
1,221,859
136,637
1,358,496
3.80\%

97,447

2005
2006
11
11

| $38,317,137$ | $35,624,198$ |
| ---: | ---: |
| $6,905,586$ | $5,576,048$ |
| $17,612,934$ | $15,929,441$ |
| $9,416,580$ | $9,879,553$ |
| $4,382,038$ | $4,239,157$ |
| $22,937,877$ | $17,722,288$ |
| $7,179,085$ | $5,962,929$ |
| $6,497,195$ | $6,051,342$ |
| $1,702,980$ | $1,648,482$ |
|  |  |
| $3,483,376$ | $3,238,563$ |
| 627,781 | 506,913 |
| $1,601,176$ | $1,448,131$ |
| 856,053 | 898,141 |
| 398,367 | 385,378 |
| $2,240,078$ | $2,146,357$ |
| 652,644 | 542,084 |
| 590,654 | 550,122 |
| 154,816 | 149,862 |
|  |  |
| $7,756,627$ | $7,232,063$ |
| $20.24 \%$ | $20.30 \%$ |
| 360,827 | 321,459 |
| $0.94 \%$ | $0.90 \%$ |
| $1,299,429$ | $1,112,241$ |
| 199,872 | 216,559 |
| $1,499,301$ | $1,328,800$ |
| $3.91 \%$ | $3.73 \%$ |
| $1,317,666$ | $1,125,047$ |
| 202,789 | 219,771 |
| $1,520,455$ | $1,344,818$ |
| $3.97 \%$ | $3.78 \%$ |
|  |  |
| 103,892 | 91,802 |
|  |  |

## ALAMEDA COUNTY FAIR

| YEAR | 2002 |
| :--- | ---: |
| ON-TRACK | 38,462 |
| OFF-TRACK | 55,020 |
| DAILY ATTENDANCE | 8,498 |
| AVERAGE DAILY ON - TRACK | 3,497 |
| AVERAGE DAILY OFF - TRACK | 5,002 |
|  |  |
| TOTAL RACE EVENTS | 120 |
| STARTS | 880 |
| AVERAGE STARTS PER EVENT | 7.3 |
| AVERAGE HANDLE PER START | 20,366 |


| 2003 | 2004 | 2005 | 2006 |
| ---: | ---: | ---: | ---: |
| 33,926 | 48,112 | 57,262 | 48,343 |
| 49,924 | 49,335 | 46,630 | 43,459 |
| 7,623 | 8,859 | 9,445 | 8,346 |
| 3,084 | 4,374 | 5,206 | 4,395 |
| 4,539 | 4,485 | 4,239 | 3,951 |
|  |  |  |  |
| 120 | 120 | 120 | 120 |
| 927 | 916 | 896 | 848 |
| 7.7 | 7.6 | 7.5 | 7.1 |
| 21,624 | 23,876 | 25,600 | 20,899 |

ALAMEDA COUNTY FAIR


AVERAGE DAILY HANDLE

## SOLANO COUNTY FAIR

| YEAR | 2002 | 2003 | 2004 | 2005 | 2006 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| TOTAL RACE DAYS | 11 | 10 | 11 | 11 | 11 |
| TOTAL HANDLE | 30,596,647 | 30,697,104 | 32,645,205 | 33,046,332 | 30,722,036 |
| ON-TRACK | 2,964,941 | 2,869,927 | 3,039,969 | 2,871,017 | 2,142,633 |
| OFF-TRACK | 18,360,752 | 16,744,773 | 16,861,379 | 17,086,644 | 15,947,851 |
| OUT-OF-STATE | 8,081,325 | 8,899,491 | 10,122,082 | 9,254,831 | 8,942,987 |
| ADW | 1,189,628 | 2,182,913 | 2,621,775 | 3,833,839 | 3,688,564 |
| LIVE | 16,918,383 | 18,793,346 | 19,905,050 | 19,852,093 | 18,146,130 |
| INTRASTATE | 7,177,225 | 6,048,327 | 6,722,872 | 6,455,476 | 6,038,044 |
| INTERSTATE IMPORTED | 6,447,769 | 5,855,431 | 6,017,283 | 5,171,033 | 5,037,456 |
| INTERNATIONAL IMPORTED | 53,269 | 0 | 0 | 1,567,730 | 1,500,405 |
| AVERAGE DAILY HANDLE | 2,781,513 | 3,069,710 | 2,967,746 | 3,004,212 | 2,792,912 |
| ON-TRACK | 269,540 | 286,993 | 276,361 | 261,002 | 194,785 |
| OFF-TRACK | 1,669,159 | 1,674,477 | 1,532,853 | 1,553,331 | 1,449,805 |
| INTERSTATE | 734,666 | 889,949 | 920,189 | 841,348 | 812,999 |
| ADW | 108,148 | 218,291 | 238,343 | 348,531 | 335,324 |
| AVERAGE LIVE | 1,538,035 | 1,879,335 | 1,809,550 | 1,804,736 | 1,649,648 |
| INTRASTATE IMPORTED | 652,475 | 604,833 | 611,170 | 586,861 | 548,913 |
| INTERSTATE IMPORTED | 586,161 | 585,543 | 547,026 | 470,094 | 457,951 |
| INTERNATIONAL IMPORTED | 4,843 | 0 | 0 | 142,521 | 136,400 |
| TOTAL TAKEOUT | 6,204,695 | 6,201,118 | 6,703,749 | 6,758,644 | 6,255,865 |
| EFFECTIVE TAKEOUT | 20.28\% | 20.20\% | 20.54\% | 20.45\% | 20.36\% |
| STATE LICENSE FEES | 311,797 | 297,028 | 298,614 | 292,156 | 261,478 |
| STATE \% | 1.02\% | 0.97\% | 0.91\% | 0.88\% | 0.85\% |
| TRACK COMMISSIONS | 1,060,964 | 979,580 | 1,016,436 | 1,017,280 | 890,123 |
| ADW COMMISSIONS | 58,581 | 101,496 | 120,626 | 181,404 | 191,144 |
| TOTAL COMMISSIONS | 1,119,545 | 1,081,076 | 1,137,063 | 1,198,684 | 1,081,267 |
| TRACK \% | 3.66\% | 3.52\% | 3.48\% | 3.63\% | 3.52\% |
| HORSEMEN'S PURSES | 1,060,632 | 980,799 | 1,017,168 | 1,017,585 | 886,922 |
| ADW PURSES | 58,678 | 107,419 | 120,735 | 181,547 | 191,220 |
| TOTAL PURSES | 1,119,310 | 1,082,218 | 1,137,904 | 1,199,131 | 1,078,142 |
| HORSEMEN'S \% | 3.66\% | 3.53\% | 3.49\% | 3.63\% | 3.51\% |

SOLANO COUNTY FAIR

| YEAR | 2002 |
| :--- | ---: |
| TOTAL RACE DAYS | 11 |
| CAIFORNIA ATTENDANCE | 73,416 |
| ON-TRACK | 19,721 |
| OFF-TRACK | 53,695 |
| DAILY ATTENDANCE | 6,674 |
| AVERAGE DALLY ON - TRACK | 1,793 |
| AVERAGE DAILY OFF - TRACK | 4,881 |
|  |  |
| TOTAL RACE EVENTS | 118 |
| STARTS | 921 |
| AVERAGE STARTS .PER EVENT | 7.8 |
| AVERAGE HANDLE PER START | 18,370 |


| 2003 | 2004 | 2005 | 2006 |
| ---: | ---: | ---: | ---: |
| 10 | 11 | 11 | 11 |
| 63,131 | 62,540 | 60,375 | 51,574 |
| 14,084 | 16,229 | 16,539 | 9,790 |
| 49,047 | 46,311 | 43,836 | 41,784 |
| 6,313 | 5,685 | 5,489 | 4,689 |
| 1,408 | 1,475 | 1,504 | 890 |
| 4,905 | 4,210 | 3,985 | 3,799 |
|  |  |  |  |
| 114 | 125 | 124 | 125 |
| 948 | 986 | 942 | 892 |
| 8.3 | 7.9 | 7.6 | 7.1 |
| 19,824 | 20,188 | 21,074 | 20,343 |



AVERAGE DAILY HANDLE


[^0]:    Supplemental nominations available for all stakes...

[^1]:    + Added Money * Includes Breeders' Cup Fund Money

[^2]:    NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, shall not be deemed as income to the association; shall not be transferred tn a narent cnenoration outside the State of California; and shall, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3

[^3]:    Date

