



a California joint powers agency

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AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
JOHN ALKIRE, CHAIR
11:00 A.M., WEDNESDAY, OCTOBER 14, 2015

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Live Racing Committee will commence at 11:00 a.m., Wednesday, October 14, 2015. The meeting will be held at The Big Fresno Fair. **No Conference Call.**
1121 S. Chance Avenue, Fresno, CA 93702.

AGENDA

- I. Date, time and location of next meeting.
- II. Public Comment.
- III. Approval of minutes.
- IV. Report, discussion and action, if any, on 2015 and 2016 Legislative Program.
- V. Update on Conversion of Statewide Totalisator Services.
- VI. Discussion and action, if any, on Racing Dates for 2016, 2017 and beyond.
- VII. Discussion and action, if any, on Summer Racing Operations for 2015 and planning for 2016.
- VIII. Executive Director's Report.

CALIFORNIA AUTHORITY OF RACING FAIRS
Live Racing Committee
Tuesday, June 2, 2015

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Live Racing Committee was held at 11:00 A.M., Tuesday, June 2, 2015. The meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Live Racing Committee members attending: John Alkire, Richard Conway, Jerome Hoban, Brian May and Rick Pickering.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, John Quiroz and Richard Lewis.

Agenda Item 1 – Date, Time and Location of Next Meeting: September TBD. The next CARF Live Racing Committee meeting is tentatively schedule for September in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Approval of Minutes. Mr. Pickering moved to approve the meeting minutes as presented. Mr. Hoban seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on CARF 2015 Legislative Program. Mr. Korby reported that Assemblyman Adam Gray's Internet poker bill (AB 431), an untitled shell bill, is purposely devoid of language to keep the bill moving through the legislative process. AB 431 has passed through both the Assembly Governmental Organization Committee and the Assembly Appropriations Committee. Mr. Korby reported that the racing industry, card rooms and the tribal community are continuing extensive informal negotiations.

Agenda Item 5 – Update on Statewide Totalisator Services. Mr. Korby reported that preparations for converting California tracks and satellites to the new Totalisator provider, American Totalisator (Amtote), are underway. SCOTWINC and NOTWINC personnel, along with industry principals, are working closing with tracks and fairs to ensure a smooth transition. The exact date of commencement of services is still being worked out due to discrepancies in the Southern California racing calendar. CARF staff will communicate any updates or facility requirements as they are received.

Mr. Hoban asked if there has been a resolution as to which parties will bear the costs of any necessary retrofitting and/or rewiring. Mr. Korby stated that the tote company will be responsible for data wiring and satellites/tracks will be responsible for cabinet modifications.

Agenda Item 6 – Report, Discussion and Action, if any, on Racing Dates for 2015 and Beyond. Mr. Korby stated that the meeting packets include a letter and calendar submitted to the California Horse Racing Board (CHRB), as requested of all racing principals by CHRB Board staff, proposing 2016 Northern California racing dates at CARF member Fairs. The CARF submitted letter/calendar were previously approved by the CARF Live Racing Committee in May.

Mr. Korby stated that a subsequent meeting of industry representatives was held at Santa Anita. Mr. Alkire and Mr. Hoban attended, as the CARF negotiating committee, to represent CARF member Fairs. Other attendees included Rick Baedecker (CHRB), Keith Brackpool (Stronach Group), Scott Daruty (Stronach Group), Eric Sindler (Stronach Group) and representatives from Santa Rosa. Stronach Group representatives, on behalf of Golden Gate Fields, stated that they do not have a plan prepared and do not know if they will have one prior to the next scheduled dates committee hearing on June 17. Stronach Group representatives had very little information to provide, but stated that they would seek “quality summer dates” in future calendars. Mr. Korby stated that CARF representatives initiated discussion regarding a calendar in which Golden Gate Fields is no longer operating in Northern California.

Mr. Korby stated that he believes it is imperative for the CARF Live Racing Committee to develop a calendar in the event that Northern California racing devolves to Fairs due to the closure of Golden Gate Fields. Mr. Korby stated that besides accommodating racing dates, Fairs would also have to consider training facilities. The meeting packets include a document titled “Site Profiles – Northern California Racing Venues” that outlines figures for grandstand seating, barns, stall, racing surface and parking at all Northern California tracks. Mr. Hoban stated that any planning of this nature should include Oak Tree as a major player and involve bringing Santa Rosa back into CARF membership.

Mr. Pickering moved to authorize Mr. Korby to pursue a year-round racing calendar for Northern California that does not include Golden Gate Fields in anticipation of their potential closure. Mr. Hoban seconded, unanimously approved. Mr. Korby stated that if CHRB commissioners request Fair commitments on CHRB generated calendars, a conference call will be conducted.

Agenda Item 7 – Report, Discussion and Action, if any, on Summer Racing Operations. Mr. Doutrich reported that recruitment efforts are proceeding in a positive pattern. Mr. Doutrich and Mr. Conway made a recent recruitment trip to Idaho and received a verbal commitment from trainer Jason Homer for 15 new horses to enter the system. They

were also able to connect with several prominent horsemen including Jerry Dutton and connections for Triple AAA Ranch.

Mr. Doutrich reported that Golden Gate Fields is up slightly in starters per race and should be able to bring their purse fund deficit back to even. Mr. Doutrich stated that he has taken two productive recruiting trips to Southern California, generating awareness of Northern California racing opportunities as the stabling situation in the Los Angeles area becomes more difficult. Mr. Doutrich stated that the overall horse population in Northern California is down, but the number of active trainers is increasing, which is a very positive sign.

Mr. Korby reported that the meeting packets include the artwork for the 2015 VIP Horsemen's program. Mr. Alkire stated that this will be a great year for Fairs to really step up customer service to horsemen and cater to racing's VIPs.

Agenda Item 8 – Report, Discussion and Action, if any, on CHRB Racing License Applications. Mr. Swartzlander reported that the Cal Expo CHRB application hearing went well and was approved. The Ferndale license is ontrack for final submission and the Stockton license is being prepared by staff. San Joaquin County Fair staff have committed to stepping up marketing efforts for the meet and are in contract with a circus for both weekends as well as providing a beer and wine fest in the Grandstand mezzanine. Mr. Korby emphasized the importance of Stockton conducting credible "fair-like" events to support horse racing to help secure future race dates.

Agenda Item 9 – Executive Director's Report. Mr. Korby reported that the Hollywood Park grandstand was demolished on May 31.

Respectfully submitted,
Heather Haviland

CA Authority of Racing Fairs 10/2/2015

[AB 9](#)

(Gatto D) Gambling: Internet poker: unlawful gambling activity.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 7/8/2015-In committee: Set, first hearing. Hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: Would authorize eligible entities to apply to the California Gambling Control Commission for a 10-year nontransferable license to operate an intrastate Internet poker Web site offering the play of authorized Internet poker games to registered players within California, as specified. The bill would require that the license be automatically renewed every 10 years upon application, as specified. The bill would prohibit the offer or play of any gambling game provided over the Internet that is not an authorized Internet poker game permitted by the state pursuant to this bill.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[AB 76](#)

(Mathis R) Tribal gaming: regulatory costs.

Current Text: Introduced: 1/5/2015 [pdf](#) [html](#)

Introduced: 1/5/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 1/5/2015)

2 year	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: Current federal law, the Indian Gaming Regulatory Act of 1988, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude compacts, subject to ratification by the Legislature. This bill would make technical, nonsubstantive changes to these provisions. This bill contains other current laws.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[AB 167](#)

(Jones-Sawyer D) Gambling: Internet poker: unlawful gambling activity.

Current Text: Introduced: 1/22/2015 [pdf](#) [html](#)

Introduced: 1/22/2015

Status: 7/8/2015-In committee: Set, first hearing. Hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: Would authorize eligible entities to apply for a 4-year license to operate an authorized poker Web site offering the play of authorized Internet poker games to registered players within California, as specified. The bill would require that the license be automatically renewed every 4 years upon application, as specified. The bill would prohibit the offer or play of any gambling game provided over the Internet that is not an authorized Internet poker game permitted by the state pursuant to these provisions.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[AB 431](#)

(Gray D) Gambling: Internet poker.

Current Text: Amended: 5/4/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Status: 6/5/2015-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 6/1/2015)

Desk	Policy	Fiscal	2 year	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: Would declare the Legislature's intent regarding the authorization of Internet poker within the borders of the state. The bill would require the Legislature, among other things, to include consumer protections for Californians in any Internet poker framework that may be adopted by the Legislature to authorize Internet poker in the state, to ensure that framework provides a fair share of revenue for the state, and to include strict standards in that framework to ensure that the Internet poker games are fair. The bill would also make related legislative findings and declarations.

Organization	Position	Priority	Assigned	Subject
CARF	Support			

Notes 1: April 24: KSC Letter delivered to author and committee

AB 581

(Gomez D) State Facilities Renewal Bond Act of 2016.

Current Text: Amended: 4/21/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 4/29/2015-In committee: Set, second hearing. Hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would enact the State Facilities Renewal Bond Act of 2016, which, if adopted by the voters at the June 7, 2016, statewide primary election, would authorize the issuance of bonds in the amount of \$2,000,000,000, pursuant to the State General Obligation Bond Law, to finance deferred maintenance on state-owned property, subject to appropriation by the Legislature in the annual Budget Act.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

AB 650

(Perea D) Horse racing: thoroughbred racing: northern zone: auxiliary offsite stabling, training, and vanning.

Current Text: Amended: 9/4/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 9/8/2015-Read second time. Ordered to third reading. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10 (c) .

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: The Horse Racing Law requires, when satellite wagering is conducted on thoroughbred races at associations or fairs in the northern zone, that an amount not to exceed 1.25% of the total amount handled by all of those satellite wagering facilities be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, to administer a fund to provide reimbursement for offsite stabling at California Horse Racing Board-approved auxiliary training facilities for additional stalls beyond the number of usable stalls the association or fair is required to make available and maintain, and for the vanning of starters from these additional stalls on racing days for thoroughbred horses. This bill would increase the amount that is required to be deducted to an amount not to exceed 2%.

Organization	Position	Priority	Assigned	Subject
CARF	Support			

Notes 1: March 11: KSC Letter delivered to Author

May 1: KSC letter delivered to A/ Governmental Organization

AB 701

(Garcia, Cristina D) Gaming.

Current Text: Amended: 9/4/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was G.O. on 9/4/2015)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would increase the membership of the Gaming Policy Advisory Committee from 10 to 12 members, and would instead require the committee to be composed of 5 representatives of controlled gambling licensees, 5 members of the general public, and 2 representatives from the Department of Justice.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

AB 1188

(Gipson D) Importation or sale of endangered animals.

Current Text: Amended: 9/4/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 9/4/2015-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law makes it unlawful to import into the state for commercial purposes, to possess with intent to sell, or to sell within the state, the dead body or other part or product of specified endangered animals, including kangaroos. This bill would delete the prohibition on the importation, possession with the intent to sell, and selling within the state of kangaroos. This bill contains other

related provisions.

Organization **Position** **Priority** **Assigned** **Subject**
CARF Watch

AB 1282 **(Gray D) Firefighters: disability.**

Current Text: Amended: 9/1/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was THIRD READING on 9/2/2015)

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	2 year	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

Summary: Curent law makes a member of the Department of Justice falling within the "state peace officer/firefighter" class who is disabled by injury arising out of and in the course of his or her duties, he or she shall become entitled, regardless of his or her period of service with the Department of Justice, to a leave of absence while so disabled without loss of salary, in lieu of disability payments for a period of not exceeding one year. This bill would make all rank-and-file and supervisory firefighters employed by Department of Forestry and Fire Protection entitled to that benefit regardless of whether the firefighter is assigned by the department to a position in fire prevention, fire suppression, or other capacity.

Organization **Position** **Priority** **Assigned** **Subject**
CARF Watch

AB 1295 **(Levine D) Craft distillers: licenses.**

Current Text: Enrollment: 9/25/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 9/25/2015-Enrolled and presented to the Governor at 2 p.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

Summary: Would allow the craft distiller's licensee to sell distilled spirits to specified consumers, to own interests in on-sale retail licenses, and to sell beer, wines, brandies, and distilled spirits to consumers for consumption on the premises of a bona fide eating place, as provided. The bill would impose an original fee and an annual renewal fee for the license, which would be deposited in the Alcohol Beverage Control Fund. This bill contains other related provisions and other existing laws.

Organization **Position** **Priority** **Assigned** **Subject**
CARF Watch

AB 1355 **(Gray D) Gaming: Tribal Nation Grant Fund.**

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was G.O. on 3/23/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

Summary: Would specify that the Tribal Nation Grant Fund reflects a vision of facilitating the development of tribal institutions and improving the quality of life of tribal people throughout the state. This bill contains other existing laws.

Organization **Position** **Priority** **Assigned** **Subject**
CARF Watch

AB 1421 **(Linder R) Gambling Control Act.**

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/27/2015)

2 year	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

Summary: Current law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission. The willful failure to pay the required license fee is a crime. This bill would make technical, nonsubstantive changes to that provision.

Organization **Position** **Priority** **Assigned** **Subject**
CARF Watch

AB 1539 **(Committee on Governmental Organization) Horse racing: advance deposit wagering: deductions and distributions: jockey retirement plan.**

Current Text: Introduced: 3/26/2015 [pdf](#) [html](#)

Introduced: 3/26/2015

Status: 5/29/2015-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/27/2015)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Horse Racing Law requires that the method used to calculate the reduction in proportionate share be approved by the board and deducted and distributed in specified amounts, including 50% of the money to the California Horse Racing Board to establish and to administer jointly with the organization certified as the majority representative of California-licensed jockeys, a defined contribution retirement plan for California-licensed jockeys who retired from racing on or after January 1, 2009. This bill would provide that a person becomes a participant in the retirement plan when he or she is licensed as a jockey in California.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[AB 1540](#) (Gray D) Tribal gaming: compact ratification.

Current Text: Enrollment: 9/16/2015 [pdf](#) [html](#)

Introduced: 3/26/2015

Status: 9/16/2015-Enrolled and presented to the Governor at 4 p.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would ratify the tribal-state gaming compact entered into between the State of California and the Santa Ynez Band of Mission Indians, executed on August 26, 2015. The bill would provide that, in deference to tribal sovereignty, certain actions are not projects for the purposes of CEQA. This bill contains other related provisions and other existing laws.

Organization	Position	Priority	Assigned	Subject
CARF				

[ACR 74](#) (Bigelow R) California Fairground Appreciation Month

Current Text: Chaptered: 6/26/2015 [pdf](#) [html](#)

Introduced: 5/18/2015

Status: 6/26/2015-Chaptered by Secretary of State - Chapter No. 82

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: This measure would designate June 2015 as California Fairground Appreciation Month and commend the directors, volunteers, staff, local agencies, and nonprofits, as well as the Californians who support and attend fairground events.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[SB 135](#) (Berryhill R) Gambling.

Current Text: Introduced: 1/22/2015 [pdf](#) [html](#)

Introduced: 1/22/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 2/5/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. Current law makes related findings and declarations. This bill would make technical, nonsubstantive changes to these provisions.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[SB 187](#) (Hall D) Horse racing: out-of-state thoroughbred races: Wood Memorial.

Current Text: Amended: 4/21/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/10/2015)

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	2 year	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Under the Horse Racing Law, the total number of thoroughbred races imported by

associations or fairs on a statewide basis under these provisions are required to not exceed 50 per day on days when live thoroughbred or fair racing is being conducted in the state, with the exception of specified prescribed races. This bill would also exempt from the 50 imported race-per-day limitation, races imported that are part of the race card of the Wood Memorial.

Organization **Position** **Priority** **Assigned** **Subject**
 CARF Watch

SB 221 **(Jackson D) State public employees: sick leave: veterans with service-related disabilities.**

Current Text: Enrollment: 9/8/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Status: 9/8/2015-Enrolled and presented to the Governor at 4:30 p.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would enact the California Wounded Warriors Transitional Leave Act. The bill would grant a state officer or employee who is a military veteran hired on or after January 1, 2016, with a military service-connected disability rated at 30% or more by the United States Department of Veterans Affairs an additional credit for sick leave with pay of up to 96 hours for the purpose of undergoing medical treatment for his or her military service-related disability.

Organization **Position** **Priority** **Assigned** **Subject**
 CARF Watch

SB 278 **(Hall D) Gambling: Internet poker.**

Current Text: Amended: 6/15/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Status: 6/15/2015-From committee with author's amendments. Read second time and amended. Re-referred to Com. on G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would authorize the operation of an Internet poker Web site within the borders of the state. The bill would require the California Gambling Control Commission, in consultation with the Department of Justice, to promulgate regulations for intrastate Internet poker. The bill would require those regulations to include, but not be limited to, a licensing process for an individual or entity to become an operator of an Internet poker Web site and rules for the operation of an Internet poker Web site. This bill contains other related provisions.

Organization **Position** **Priority** **Assigned** **Subject**
 CARF Watch

SB 280 **(Stone R) Public employees: compensation.**

Current Text: Amended: 4/15/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was P.E. & R. on 4/15/2015)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the Controller, in conformity with an accounting system prescribed by the Department of Finance, to install and operate a uniform state payroll system for state agencies. This bill would require the Controller, as part of the development and implementation of a new uniform state payroll system on and after January 1, 2016, to include in the design of the system an Internet Web site portal that allows a state employee to view and print his or her pay warrant electronically.

Organization **Position** **Priority** **Assigned** **Subject**
 CARF Watch

SB 374 **(Hueso D) Local agency design-build projects: transit districts.**

Current Text: Enrollment: 9/16/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 9/16/2015-Enrolled and presented to the Governor at 4:45 p.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would specify that the definition of a local agency authorized to use the design-build method of project delivery includes the San Diego Association of Governments. The bill would define projects, as it pertains to the San Diego Association of Governments, to include development projects adjacent, or physically or functionally related, to transit facilities developed by the association.

Organization **Position** **Priority** **Assigned** **Subject**
 CARF Watch

[SB 399](#)**(Hall D) Tidelands and submerged lands: City of Los Angeles.****Current Text:** Enrollment: 9/11/2015 [pdf](#) [html](#)**Introduced:** 2/25/2015**Status:** 9/11/2015-Enrolled and presented to the Governor at 10:45 p.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law grants to the City of Los Angeles all the right, title, and interest of the State of California in and to all tidelands and submerged lands situated below the line of mean high tide of the Pacific Ocean within the boundaries of the city in trust for specified purposes, including promotion of commerce, navigation, and fishery, and for certain uses relating to those purposes. This bill would authorize the City of Los Angeles to grant franchises and permits on, or leases of, those lands for those specified purposes for limited terms, not exceeding 66 years.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[SB 650](#)**(Hall D) California Gambling Control Commission: records.****Current Text:** Amended: 4/8/2015 [pdf](#) [html](#)**Introduced:** 2/27/2015**Status:** 7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was G.O. on 6/1/2015)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law, the Gambling Control Act, establishes the California Gambling Control Commission. Current law requires the commission to keep a record of all proceedings at its regular and special meetings and a record of all applications for licenses under the Gambling Control Act, and to make these records open to public inspection. This bill would require the commission to make these records open to public inspection during normal business hours.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[SB 692](#)**(Vidak R) Gambling: California Gambling Control Commission.****Current Text:** Amended: 6/16/2015 [pdf](#) [html](#)**Introduced:** 2/27/2015**Status:** 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 7/9/2015)

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would prohibit a member of the California Gambling Control Commission, the executive director, the chief, and any employee of the commission or department, for a period of 2 years after leaving office or terminating employment, from holding a direct or indirect interest in, holding employment with, representing, appearing for, or negotiating on behalf of, a gambling establishment. By creating a new crime, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

[SB 777](#)**(Lara D) Gambling Control Act: corporations.****Current Text:** Amended: 4/6/2015 [pdf](#) [html](#)**Introduced:** 2/27/2015**Status:** 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 8/20/2015)

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	2 year	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Existing law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. This bill would specify that information on the extent of the remuneration as compensation for services of specified individuals includes bonuses. The bill would require supplying information on the amount of remuneration to persons other than directors and officers in excess of \$95,000. The bill would also require the corporation to supply in its information a copy of its annual federal income tax return within 30 business days after that return is filed.

Organization	Position	Priority	Assigned	Subject
CARF	Watch			

Total Measures: 25

Total Tracking Forms: 25

AMENDED IN SENATE SEPTEMBER 4, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 650

Introduced by Assembly Member Perea

February 24, 2015

An act to amend ~~Section 19596.2~~ *Sections 19607.2 and 19607.3* of the Business and Professions Code, relating to horse ~~racing~~ *racing*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 650, as amended, Perea. ~~Horse racing: out-of-state thoroughbred races: Blue Grass Stakes.~~ *Horse racing: thoroughbred racing: northern zone: auxiliary offsite stabling, training, and vanning.*

(1) The Horse Racing Law requires, when satellite wagering is conducted on thoroughbred races at associations or fairs in the northern zone, that an amount not to exceed 1.25% of the total amount handled by all of those satellite wagering facilities be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, to administer a fund to provide reimbursement for offsite stabling at California Horse Racing Board-approved auxiliary training facilities for additional stalls beyond the number of usable stalls the association or fair is required to make available and maintain, and for the vanning of starters from these additional stalls on racing days for thoroughbred horses.

This bill would increase the amount that is required to be deducted to an amount not to exceed 2% and would provide that this amount, if

adjusted by the board, may be a different percentage of the handle for different associations and fairs but only if all the associations and fairs agree to the differing percentages. The bill would establish an auxiliary offsite stabling and training facility and vanning program for thoroughbred races in the northern zone. The bill would revise and recast the provisions governing the organization formed and operated to administer the fund to include, among other things, a 50-50 percentage allocation of specified voting interests on the board of the organization, the use of funds to pay the organization's expenses and compensate the provider of a board-approved auxiliary facility for offsite stabling and training of thoroughbred horses in the northern zone, and the requirement that the organization submit its proposed financial and operational plans for the upcoming calendar year to the board for review no later than November 1 of the preceding year.

The bill would also require that the funds be used to cover all or part of the cost of vanning thoroughbred horses in the northern zone from a board-approved auxiliary offsite stabling and training facility and would authorize the organization to enter into multiyear contracts for auxiliary facilities in the northern zone subject to specified conditions. The bill would authorize the organization to use the funds to pay back commissions, purses, and owners' premiums to the extent that the deductions made exceed in any year the amount of the funds necessary to achieve the objectives of the organization. The bill would also authorize a thoroughbred racing association or fair in the northern zone to opt out of the auxiliary offsite stabling and training facility and vanning program, as specified. The bill would provide that the board shall reserve the right to adjudicate any disputes that arise regarding costs, or other matters, relating to the furnishing of offsite stabling, training, or vanning, as specified.

(2) By expanding the provisions of the Horse Racing Law, a violation of which is a crime, the bill would create new crimes and would thereby impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

~~The Horse Racing Law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen and horsewomen participating in the race meeting and without regard to the amount of purses. Under that law, the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions are required to not exceed 50 per day on days when live thoroughbred or fair racing is being conducted in the state, with the exception of prescribed races, including races imported that are part of the race card of the Kentucky Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont Stakes, the Jockey Club Gold Cup, the Travers Stakes, the Arlington Million, the Breeders' Cup, the Dubai Cup, the Arkansas Derby, the Apple Blossom Handicap, or the Haskell Invitational.~~

~~This bill would exempt from the 50 imported race per day limitation, races imported that are part of the race card of the Blue Grass Stakes.~~

~~Vote: majority ²/₃. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~ yes.~~

The people of the State of California do enact as follows:

1 SECTION 1. Section 19607.2 of the Business and Professions
 2 Code is amended to read:
 3 19607.2. Notwithstanding Section 19605.8, when satellite
 4 wagering is conducted on thoroughbred races at associations or
 5 fairs in the northern zone, an amount not to exceed ~~1.25~~ 2 percent
 6 of the total amount handled by all of those satellite wagering
 7 facilities, shall be deducted from the funds otherwise allocated for
 8 distribution as commissions, purses, and owners' premiums and
 9 instead distributed to an organization formed and operated by
 10 thoroughbred racing associations, fairs conducting thoroughbred
 11 racing, and the organization representing thoroughbred ~~horsemen,~~
 12 ~~with each party having meaningful representation~~ *horsemen and*
 13 *horsewomen, for use pursuant to Section 19607.3. A vote of the*
 14 *organization representing thoroughbred horsemen and*
 15 *horsewomen shall constitute 50 percent of all voting interests on*
 16 the board of the ~~organization, to administer, pursuant~~ *organization*

1 ~~formed and operated to supervision of administer the board, a fund~~
2 ~~to provide reimbursement for offsite stabling at board-approved~~
3 ~~auxiliary training facilities of fund. The other 50 percent of all~~
4 ~~voting interests shall be allocated among thoroughbred racing~~
5 ~~associations or and fairs for additional stalls beyond the number~~
6 ~~of usable stalls the association is required to make available and~~
7 ~~maintain pursuant to Section 19535, conducting thoroughbred~~
8 ~~racing in a manner that provides meaningful representation on~~
9 ~~the governing board of the organization for starter fees~~
10 ~~thoroughbred racing associations and for the vanning of starters~~
11 ~~from these additional stalls on race days for thoroughbred horses.~~
12 ~~fairs conducting thoroughbred racing, except as provided in~~
13 ~~subdivision (h) of Section 19607.3.~~

14 *SEC. 2. Section 19607.3 of the Business and Professions Code*
15 *is amended to read:*

16 19607.3. (a) ~~The Notwithstanding Section 19535, the funds~~
17 ~~distributed to the organization formed pursuant to Section 19607.2~~
18 ~~shall be used to reimburse racing associations that are operating~~
19 ~~offsite stabling providing additional stalls pay the organization's~~
20 ~~expenses and compensate the provider of a board-approved~~
21 ~~auxiliary offsite facility for stabling, training, and vanning of~~
22 ~~thoroughbred horses in the northern zone. The organization~~
23 ~~administering the auxiliary offsite stabling and training facility~~
24 ~~and vanning program shall submit its proposed financial and~~
25 ~~operational plans for the incremental increase in operating costs~~
26 ~~directly resulting from providing the stabling, upcoming calendar~~
27 ~~year to the board for review no later than November 1 of the~~
28 ~~preceding year. Neither the organization administering the~~
29 ~~auxiliary offsite stabling and training facility and vanning program~~
30 ~~nor any of the entities forming and operating the organization,~~
31 ~~except the entity operating the auxiliary offsite stabling and~~
32 ~~training facility where the injury occurred, shall be liable for any~~
33 ~~injury to any jockey, exercise person, owner, trainer, or any~~
34 ~~employee or agent thereof, or any horse occurring at any auxiliary~~
35 ~~offsite stabling and training facility.~~

36 (b) ~~The funds shall also be used to reimburse horsemen for cover~~
37 ~~all or part of the cost of vanning starting thoroughbred horses~~
38 ~~from a board-approved auxiliary training facility operated by a~~
39 ~~racing association or fair offsite stabling and training facility to~~
40 ~~the track conducting the racing meeting. Horsemen may use carriers~~

1 ~~of their own choice, except that to start in a thoroughbred race at~~
2 ~~a thoroughbred or fair racing meeting in the amount northern~~
3 ~~zone. The organization shall determine the extent of reimbursement~~
4 ~~to horsemen is limited to the amount and manner in which~~
5 ~~compensation will be paid for thoroughbred horses that the~~
6 ~~organization determines is generally charged by carriers for~~
7 ~~vanning are vanned from the auxiliary training facility to the track~~
8 ~~or the fair conducting the thoroughbred or fair racing meeting.~~
9 Neither the organization administering the *auxiliary* offsite stabling
10 and training facility and vanning program nor any of the entities
11 forming and operating the organization, except ~~the~~ *an* entity
12 actually engaged in vanning horses, is liable for any injury
13 occurring to any individual or horse during vanning from an offsite
14 stabling and training facility.

15 (c) ~~The training auxiliary offsite stabling and training facilities~~
16 and ~~the~~ amenities provided for offsite stabling and training
17 purposes shall be *substantially* equivalent in character to those
18 provided ~~during~~ by the thoroughbred racing ~~meetings~~ of
19 ~~association or fair conducting the association racing meeting.~~

20 (d) *In order to ensure the long-term availability of facilities for*
21 *offsite stabling and training, the organization may enter into*
22 *multiyear contracts for auxiliary facilities in the northern zone.*
23 *The organization shall submit to the board for its approval the*
24 *multiyear contracts that it enters into with providers of auxiliary*
25 *facilities for offsite stabling and training. Contracts not*
26 *disapproved by the board within 60 days of submittal to the board*
27 *shall be deemed to have been approved by the board.*

28 (e) *At the request of the board, the organization shall submit a*
29 *report detailing all of its receipts and expenditures over the prior*
30 *two fiscal years and, upon request of any party within the*
31 *organization, those receipts and expenditures shall be audited by*
32 *the board.*

33 (d) ~~Upon the request of any party within the organization, the~~
34 ~~board shall adjudicate any dispute regarding costs, or other matters~~
35 ~~relating~~

36 (f) ~~In addition to the furnishing uses of offsite stabling or~~
37 ~~vanning. The board may, if necessary, appoint an independent~~
38 ~~auditor to assist the funds described in the resolution of disputes.~~
39 ~~The auditor shall be reimbursed from the subdivisions (a) and (b),~~

1 *the organization may use the funds for both of the organization.*
2 *following:*

3 ~~(e) The organization may maintain~~

4 *(1) Maintain a reserve fund of up to 10 percent of the total*
5 *estimated annual vanning and auxiliary offsite stabling and training*
6 *facility costs. In addition to the reserve fund, if the funds generated*
7 *for the auxiliary offsite stabling and training facilities and vanning*
8 *are insufficient to fully reimburse racing associations or fairs for*
9 *expenses incurred during cover the offsite vanning and stabling*
10 *program, expenses incurred, the organization may may, in the*
11 *future, accumulate sufficient funds to fully reimburse cover those*
12 *associations or fairs for those expenses.*

13 *(2) Pay back commissions, purses, and owners' premiums to*
14 *the extent the deductions made pursuant to Section 19607.2 exceed*
15 *in any year the amount of funds necessary to achieve the objectives*
16 *of the organization.*

17 ~~(f)~~

18 *(g) The amount initially deducted and distributed to the*
19 *organization shall be 0.5 percent of the total amount handled by*
20 *satellite wagering facilities authorized under this article in the*
21 *northern zone on thoroughbred racing, but that allocation may*
22 *pursuant to Section 19607.2 may, at the request of the organization,*
23 *be adjusted by the board, in its discretion. However, the adjusted*
24 *amount may not exceed 1.25 2 percent of the total amount handled*
25 *by satellite wagering facilities, facilities. The amount deducted*
26 *and distributed to pay expenses the organization as adjusted by*
27 *the board may be a different percentage of the handle for different*
28 *associations and maintain fairs conducting thoroughbred racing*
29 *meetings in the reserve fund for northern zone, but only if all the*
30 *continuing support of associations and fairs agree to the program.*
31 *differing percentages.*

32 *(h) A thoroughbred racing association or fair in the northern*
33 *zone that is able to provide the minimum number of stalls required*
34 *by its racing meeting license without the use of any auxiliary offsite*
35 *stabling and training facility and vanning program may opt out*
36 *of that program, in which case the deduction described in Section*
37 *19607.2 shall not apply during the live racing meeting conducted*
38 *by the association or fair until such time as the association or fair*
39 *opts back into the auxiliary offsite stabling and training facility*
40 *and vanning program. Any thoroughbred racing association or*

1 fair in the northern zone that opts out of the auxiliary offsite
2 stabling and training facility and vanning program shall not have
3 any voting interest therein until such time as the association or
4 fair opts back into the program. The organization shall establish
5 reasonable procedures and timelines for the giving of notice to
6 the organization by a thoroughbred racing association or fair that
7 elects to opt out of the auxiliary offsite stabling and training facility
8 and vanning program.

9 (i) The board shall reserve the right to adjudicate any disputes
10 that arise regarding costs, or other matters, relating to the
11 furnishing of offsite stabling, training, or vanning. Notwithstanding
12 any other law, the board shall maintain all powers necessary and
13 proper to ensure that offsite stabling, training, and vanning, as
14 provided for in this article, is conducted in a manner that protects
15 the public and serves the best interests of horse racing.

16 SEC. 3. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 the only costs that may be incurred by a local agency or school
19 district will be incurred because this act creates a new crime or
20 infraction, eliminates a crime or infraction, or changes the penalty
21 for a crime or infraction, within the meaning of Section 17556 of
22 the Government Code, or changes the definition of a crime within
23 the meaning of Section 6 of Article XIII B of the California
24 Constitution.

25 SEC. 4. This act is an urgency statute necessary for the
26 immediate preservation of the public peace, health, or safety within
27 the meaning of Article IV of the Constitution and shall go into
28 immediate effect. The facts constituting the necessity are:

29 At current levels, there are insufficient funds to maintain an
30 auxiliary offsite stabling and training facility and vanning program
31 at racing meetings of thoroughbred horses conducted by
32 thoroughbred racing associations or fairs. Therefore, in order to
33 raise sufficient funds before the winter thoroughbred horse racing
34 season begins, it is necessary that this act take effect immediately.

35 SECTION 1. Section 19596.2 of the Business and Professions
36 Code is amended to read:

37 19596.2. (a) ~~Notwithstanding any other law and except as~~
38 ~~provided in Section 19596.4, a thoroughbred racing association~~
39 ~~or fair may distribute the audiovisual signal and accept wagers on~~
40 ~~the results of out-of-state thoroughbred races conducted in the~~

1 United States during the calendar period the association or fair is
2 conducting a race meeting, including days on which there is no
3 live racing being conducted by the association or fair, without the
4 consent of the organization that represents horsemen and
5 horsewomen participating in the race meeting and without regard
6 to the amount of purses. Further, the total number of thoroughbred
7 races imported by associations or fairs on a statewide basis under
8 this section shall not exceed 50 per day on days when live
9 thoroughbred or fair racing is being conducted in the state. The
10 limitation of 50 imported races per day does not apply to any of
11 the following:

12 (1) Races imported for wagering purposes pursuant to
13 subdivision (e).

14 (2) Races imported that are part of the race card of the Kentucky
15 Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont
16 Stakes, the Jockey Club Gold Cup, the Travers Stakes, the
17 Arlington Million, the Breeders' Cup, the Dubai Cup, the Arkansas
18 Derby, the Apple Blossom Handicap, the Blue Grass Stakes, or
19 the Haskell Invitational.

20 (3) Races imported into the northern zone when there is no live
21 thoroughbred or fair racing being conducted in the northern zone.

22 (4) Races imported into the combined central and southern zones
23 when there is no live thoroughbred or fair racing being conducted
24 in the combined central and southern zones.

25 (b) Any thoroughbred association or fair accepting wagers
26 pursuant to subdivision (a) shall conduct the wagering in
27 accordance with the applicable provisions of Sections 19601,
28 19616, 19616.1, and 19616.2.

29 (e) No thoroughbred association or fair may accept wagers
30 pursuant to this section on out-of-state races commencing after 7
31 p.m., Pacific standard time, without the consent of the harness or
32 quarter horse racing association that is then conducting a live racing
33 meeting in Orange or Sacramento Counties.

-ADVISORY-

AMTOTE INTERNATIONAL TOTALIZATOR SERVICE CONVERSION

We're providing this advisory to update all interested parties about the pending statewide conversion of totalizator companies providing service in California. As many of you already know, the contract with Sportech, Inc. the current totalizator vendor in California, is set to expire at the close of business on Sunday, October 25, 2015.

During the three days following October 25, the new totalizator company, **Amtote International**, will be installing new tote equipment at all race tracks and satellite wagering locations throughout California. Northern California Off-Track Wagering, Inc. (NCOTWINC) and Southern California Off-Track Wagering, Inc. (SCOTWINC) will be managing the installations in close cooperation with CARF, with individual racing associations and with **AmTote** installation teams.

The upcoming tote conversion will require different cabinet and carpentry modifications at each location. Extensive planning and site surveys have already been undertaken in order to assess the work required and to coordinate with local, on-site maintenance personnel. In Northern California, NCOTWINC personnel and California Authority of Racing Fairs (CARF) consultants have been conducting on-site visits with maintenance and carpentry personnel at each of the Northern satellite locations over the past month. Technical personnel from **Amtote International**, who will be installing the new equipment at each location, have also been present during these site surveys in order to meet and coordinate with local, on-site personnel.

We're now entering the late stages of the installation planning process. More detailed installation information will be on its way shortly. Specific site location surveys with window-by-window modification requirements and window configuration models for each satellite location have been compiled. These will be distributed to the appropriate personnel at each location.

Further information will also be sent regarding the arrival schedule of Amtote installation personnel and equipment at your location. In case you may need additional information about the installation at your location, a list of key personnel and their contact information is attached. Northern California sites may contact Bryan Wayte or Doug Gooby at any time; Southern Cal sites may contact George Haines at SCOTWInc.

As always, thanks for your help and cooperation.

September 25, 2015

NORTHERN CALIFORNIA CONTACT LIST

FOR

AMTOTE CONVERSION

Bryan Wayte – General Manager NCOTWINC – Office (510) 559-7360, Cell (925) 766-4141

Doug Gooby – Mutuel Manager NCOTWINC – Office (510) 559-7306, Cell (510) 316-8584

Larry Swartzlander – Chief Operating Officer CARF – Cell (916) 799-7084

Roger Riley – Lead Construction Consultant CARF – Cell (916) 663-1950

Web Burrier – California Installation Manager Amtote – Cell (410) 302-9192

Ronald “Rob” Robinson – Northern California Installation Manager Amtote – Cell (410) 808-1339

SOUTHERN CALIFORNIA CONTACT LIST

FOR

AMTOTE CONVERSION

George Haines – General Manager SCOTWINC – Office (626) 574-6428,
Cell (626) 278-5215

Bill Navarro – Mutuel Manager Del Mar – Office (858) 794-1194

Randy Hartzell – Mutuel Manager Santa Anita – (626) 574-6427

Web Burrier – California Installation Manager Amtote – Cell (410) 302-9192

Christopher Korby

From: "Olsen, Debbie" <DEBBIE.OLSEN@santaanita.com>
To: <undisclosed-recipients:>
Sent: September 14, 2015 4:11 PM
Subject: STRONACH GROUP NAMES JOE MORRIS SENIOR VICE PRESIDENT OF WEST COAST OPERATIONS
STRONACH GROUP NAMES JOE MORRIS SENIOR VICE PRESIDENT OF WEST COAST OPERATIONS, HIGHLY RESPECTED RACING EXEC TO STEP DOWN AS TOC PRESIDENT, EFFECTIVE NOVEMBER 9



(Sept. 14, 2015)—The Stronach Group announced today that Joe Morris has accepted the position of Senior Vice President of West Coast Operations for the Stronach Group, effective Nov. 9, 2015. Morris will step down as President of the Thoroughbred Owners of California (TOC) at that time.

As Senior Vice President of West Coast Operations, Morris will oversee operations at Santa Anita Park, Golden Gate Fields and San Luis Rey Training Center, and will report directly to Keith Brackpool, Chairman of West Coast Operations. In addition to his experience as President of the TOC since 2013, Morris previously served as General Manager of Golden Gate Fields and Vice President of Operations and Sales for the Stronach Group from 2011 to 2013.

“We are so very pleased to welcome Joe Morris back to the Stronach Group,” said Brackpool. “Joe is an invaluable member of the California racing industry, and as we both further develop our facilities and our racing experience here in California, we believe this appointment will allow for

continued growth and success for all involved.”

“I am very proud of the accomplishments of TOC board and staff and the direction the organization has taken over the last two and a half years,” said Morris. “It has been a very productive and rewarding time for me,” he added, “but I’m excited at the opportunity to work with the Stronach Group again. I look forward to working with Keith and having the chance to advance two of California’s iconic racetracks and the greatest racing in the country.”

TOC Chairman Mike Pegram noted, “We have made great strides over the past couple of years and are indebted to Joe for his unrelenting efforts, which have resulted in numerous benefits for our owners and the industry in general. Although he will be greatly missed, we are fortunate that Joe will continue to play an important role in California racing.”

"The Stronach Group is North America’s leading Thoroughbred racetrack owner/operator. The Stronach Group racetracks include Santa Anita Park, Gulfstream Park & Casino, Golden Gate Fields, Portland Meadows, Laurel Park and Pimlico Race Course, home of the world-famous Preakness. The company owns and operates the Palm Meadows Training Center in Florida, the San Luis Rey Downs Training Center in California and is one of North America's top race horse breeders through its award- winning Adena Springs operation. The Stronach Group is one of the world's largest suppliers of pari-mutuel wagering systems, technologies and services. Its companies include AmTote, a global leader in wagering technology; XpressBet, an internet and telephone account wagering service; and Monarch Content Management, which acts as a simulcast purchase and sales agent of horseracing content for numerous North American racetracks and wagering outlets.”

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VIA U.S. CERTIFIED MAIL and EMAIL

September 30, 2015

California Racing Fairs
Attention: Accounts Payable
1776 Tribute Road, Ste. 150
Sacramento, CA 95815

Re: Interface Services

As a service provider to host racetracks, Sportech Racing, LLC ("Sportech") provides key services to facilitate commingling of bets placed by your operation on host racetracks' content. These services include, among other things, ITSP development and upgrades, managing the 'host card', managing ITSP links, host pools and dissemination of pool information to all guest sites, entering results, calculating prices and distributing this information to all guest sites, transmitting TRA files, and supporting investigations. Standard industry practice provides for tote companies like Sportech to collect interface fees, including a fee for this service provided to racing and wagering operators such as your organization, to cover the associated operating costs of providing these services.

Enclosed herewith are the Terms and Conditions for Sportech's provision of interface services to your organization and the locations set forth on the attached Schedule 1. These Terms and Conditions are effective as of October 26, 2015, and will apply to all commingled wagers placed on and after that date. Interface fee invoices will generate weekly for all handle wagered on Sportech host racetracks. The placement of wagers via your operation acknowledges the acceptance of, and assured compliance with, said Terms and Conditions. The Terms and Conditions may not be amended except as provided therein.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Andrew I. Gaughan', written over a white background.

Andrew I. Gaughan
President
Sportech Racing // Digital

Encl. Interface Fee Terms & Conditions – Sportech Racing, LLC

1095 Windward Ridge Pkwy, Ste 170
Alpharetta, Georgia 30005
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Sportech.net

Staying ahead of the action.™

Schedule 1

San Mateo County Fair
Solano County Fair (Vallejo)
Alameda County Fair (Pleasanton)
California County Fair (Sacramento)
Humboldt County Fair (Ferndale)
San Joaquin County Fair (Stockton)

SPORTECH RACING, LLC

TERMS AND CONDITIONS FOR PROVISION OF INTERFACE SERVICES

THIS AGREEMENT FOR THE PROVISION OF INTERFACE SERVICES (the "Agreement") sets forth the terms and conditions upon which SPORTECH RACING, LLC ("SPORTECH"), a Delaware limited liability company having its executive offices at 555 Long Wharf Drive, 11th Floor, New Haven, Connecticut 06511, will provide interface services to those persons or entities that are not presently customers of SPORTECH's totalisator system services (the "RECIPIENT"). If RECIPIENT does not have an existing written contract with SPORTECH executed by both SPORTECH and RECIPIENT, then the terms and conditions set forth in this Agreement will govern the RECIPIENT's use of SPORTECH's services on the date set forth in the letter transmitting these terms and conditions to RECIPIENT. These terms and conditions supersede all previous terms and conditions of service. RECIPIENT will be deemed to have accepted the terms and conditions set forth herein upon placing any wagers to host tracks using SPORTECH's services, whether such wagers are placed directly by RECIPIENT or through its totalisator system service provider and whether RECIPIENT's wagers are aggregated with wagers from other sources.

1. SERVICES

(a) Subject to subsection (b) hereof, SPORTECH shall provide the personnel, hardware and software systems necessary to implement system-to-system links between RECIPIENT's totalisator system (the "Guest System") and SPORTECH's totalisator systems (the "Host System") in use by all SPORTECH totalisator services customers such that: (i) wagering data resulting from wagering at the Guest System's location with respect to races simulcasted from the Host System location shall be combined within the pari-mutuel calculation procedures of the Host System; and (ii) the Guest System will be able to offer pari-mutuel wagering at the Guest System location on races run at the Host System location (the "Services"). RECIPIENT will be responsible for securing the consent of the entity providing totalisator services to RECIPIENT (the "Tote Vendor"). The Services shall include the determination of prices to be paid via the Guest System. The bet types used by the Host System will be available via the Guest System except for bet types not electronically transferable within the ITSP System Protocol.

(b) RECIPIENT shall provide all necessary data communications lines and equipment meeting SPORTECH's specifications, including any hub operated by the Tote Vendor through which RECIPIENT's wagering data is transmitted. The maintenance and cost thereof shall be RECIPIENT's sole and exclusive responsibility. Title to such data communication lines and equipment shall remain with RECIPIENT or the third-party provider of such data communication lines and equipment. At RECIPIENT's request, SPORTECH will provide operating and technical support staff at the Host System to be billed to RECIPIENT at SPORTECH's standard rates.

(c) SPORTECH will assume on-track liability to the Host System for all computational errors caused by SPORTECH's equipment or personnel while providing the Services to RECIPIENT.

(d) RECIPIENT shall have the sole responsibility to secure the consent of the operator(s) of the Host System location(s). In addition, the Services shall not be provided with respect to any proposed link where the Guest System cannot provide an appropriate protocol for interfacing with the Host System or where the Host System lacks the capacity to add additional interfaces.

(e) In the absence of mutually agreeable written procedures established between SPORTECH and RECIPIENT, or SPORTECH and the operators of Host System locations, SPORTECH shall have no responsibility for accepting or transmitting manually transmitted data in the event of system or communications failure.

2. TERM

The term of this Agreement shall commence upon RECIPIENT's first use of the Services provided by SPORTECH after its effective date, and shall continue thereafter until either SPORTECH gives the RECIPIENT at least thirty (30) days prior written notice of termination of the Agreement or RECIPIENT ceases to use the Services. RECIPIENT expressly agrees to discontinue the use of the Services immediately upon expiration or other termination of this Agreement, and promptly to direct its Tote Vendor not to process wagers requiring the use of the Services. If RECIPIENT fails or refuses to direct its Tote Vendor not to process wagers requiring the use of the Services, then RECIPIENT hereby expressly authorizes SPORTECH, as RECIPIENT's attorney-in-fact, to provide such direction with the same force and legal effect as if RECIPIENT itself gave such direction. The foregoing covenants shall survive the expiration or other termination of this Agreement. SPORTECH's status is acknowledged to be a limited agency coupled with an interest and may not be terminated by RECIPIENT other than with SPORTECH's prior written consent.

3. CHARGES

(a) For the Services, RECIPIENT agrees to pay to SPORTECH the following percentage of the gross monies wagered through the Host System from the Guest System: 0.175%.

(b) RECIPIENT agrees to pay a minimum daily charge of USD \$25.00 per each British Columbia Host (in each case, without regard to the location of any applicable hubs); provided, however, that said minimum daily charge shall not apply during any day in which RECIPIENT, through no fault of its own, is not conducting wagering on races conducted at a Host System.

(c) The charges for the Services provided by SPORTECH under subparagraphs 3(a) and 3(b) above, may be changed by SPORTECH upon thirty (30) days prior written notice to RECIPIENT.

(d) RECIPIENT's payment to SPORTECH shall be due weekly without deduction not later than Wednesday of the following week. If all accounts are not paid within seven (7) calendar days after the due date, interest at the lesser of the rate of two percent (2%) per month or the maximum rate permitted by law shall be due, commencing on the date immediately following the due date. SPORTECH may refuse to provide the Services to RECIPIENT if RECIPIENT fails to make payment to SPORTECH within twenty (20) days of written notice of default. Upon request by RECIPIENT, SPORTECH will provide RECIPIENT with a written statement of unpaid charges for the Services. RECIPIENT's liability for all such charges shall not be affected by SPORTECH's delay or failure to provide any requested statement of unpaid charges for the Services.

(e) RECIPIENT shall be responsible for any and all local, state or federal taxes applicable to this Agreement, except for corporate income or franchise taxes payable by SPORTECH.

(f) RECIPIENT shall be responsible for charges for additional services requested by RECIPIENT or its Tote Vendor related to any changes to interface specifications agreed to and implemented to date.

(g) Invoicing for the Services may be sent to RECIPIENT from any SPORTECH Host System or from SPORTECH's headquarters for any and/or all other SPORTECH Host Systems.

(h) RECIPIENT's acceptance of the Services under the terms of this Agreement shall be deemed an express acknowledgement by RECIPIENT to pay SPORTECH for the Services at the rates set forth in subsections 3(a) and 3(b) hereof.

(i) SPORTECH reserves the right to provide the Services to any RECIPIENT pursuant to a separate written agreement, signed by both SPORTECH and RECIPIENT on terms and conditions that are different or additional to those contained in this Agreement.

4. LIMITATION OF LIABILITY

(a) **SPORTECH SHALL NOT BE LIABLE TO RECIPIENT OR ANY THIRD PARTY FOR ANY LOST REVENUE, LOST PROFITS, CLAIMS, LIABILITIES, DAMAGES (INCLUDING, BUT NOT LIMITED TO, INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES), COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, SETTLEMENTS, JUDGMENTS, COURT COSTS AND ATTORNEYS' FEES), FINES, PENALTIES, LOSSES, OR INJURIES, INCLUDING THIRD-PARTY CLAIMS, ARISING OUT OF OR RELATING TO, IN WHOLE OR IN PART, THE PROVISION OR USE OF THE SERVICES. RECIPIENT SHALL INDEMNIFY AND HOLD HARMLESS SPORTECH, WITH RESPECT TO ANY AND ALL CLAIMS, LIABILITIES AND OBLIGATIONS (INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES AND COSTS), RELATED TO OR ARISING OUT OF RECIPIENT'S USE OF THE SERVICES.**

5. GOVERNING LAW AND CONSENT TO JURISDICTION

This Agreement and the rights and obligations of SPORTECH and RECIPIENT hereunder shall be governed by and interpreted in accordance with the law of the State of Connecticut, without application of its conflict of law principles. SPORTECH and RECIPIENT agree that any controversy or claim not resolved by the parties arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Venue for the conduct of the arbitration shall be New Haven, Connecticut. The arbitral tribunal shall render its reasoned award on any claims and counterclaims within three (3) months after the filing of a demand for arbitration. Judgment upon the award rendered by the arbitrator may be entered in any judicial court having jurisdiction thereof. The parties expressly agree as a term of their agreement to arbitrate that the factual findings of the arbitrator shall be final absent manifest or material error and rulings on questions of law or mixed questions of fact and law shall be reviewed under the "clearly erroneous" standard of review and not under a "manifest disregard of the law" or other standard, notwithstanding federal, state, commonwealth or provincial decisional or other law concerning such standards to the contrary.

6. FORCE MAJEURE

Neither party shall be responsible for or deemed to be in default under this Agreement on account of any delays in performance to the extent any such delay is caused by conditions beyond its control including, but not limited to fire, strike, boycott, picketing, or other industrial disturbances, riot, civil

commotion, theft, vandalism flood, lighting, tempest, storm, acts of God, war, acts of war and defense, power failure (provided that the parties take reasonable measures to ensure the availability of back-up power), failure of any cable or fiber optic network (provided the fault for same is not the responsibility of either party hereto), or order of any government or governmental agency. Neither party shall be liable to the other for any additional cost or damages as a result of such delay.

7. COMPLIANCE WITH LAW

The parties represent and warrant that they will comply with all applicable federal and state law, including, without limitation, those related to gaming, financial and anti-money laundering, the Interstate Horse Racing Act of 1978 and the Unlawful Internet Gambling Enforcement Act of 2006, each as amended from time to time. In addition, RECIPIENT specifically acknowledges that SPORTECH is subject to the gaming and/or wagering, and licensing requirements of various jurisdictions and is obliged to take reasonable efforts to determine the suitability of its business associates. RECIPIENT agrees to cooperate fully with SPORTECH in providing it with any information (which shall be kept confidential), of whatever nature, that SPORTECH deems necessary or appropriate in assuring itself that RECIPIENT possesses the good character, honesty, integrity, and reputation applicable to those engaged or who are contracting with those engaged in the gaming and/or wagering industries and specifically represents that there is nothing and there will not be anything in its background, history, or reputation that would be deemed unsuitable under the standards applicable to the gaming and/or wagering industries. If, during the term of the Agreement, SPORTECH is notified by any regulatory agency that the conduct of business with RECIPIENT will jeopardize SPORTECH's licenses or ability to be licensed or if SPORTECH reasonably concludes that RECIPIENT fails to meet the above criteria, it shall be a material default of his Agreement.

8. AMENDMENTS

SPORTECH reserves the right to amend, modify, alter or change the terms and conditions of this Agreement, including the pricing of the Services provided hereunder, upon thirty (30) days prior notice to RECIPIENT. RECIPIENT shall not object to any amendment of this Agreement on the basis that RECIPIENT did not receive actual notice from SPORTECH where SPORTECH has made a reasonable and good faith attempt to give actual or constructive notice to RECIPIENT.

9. ENTIRE AGREEMENT

This Agreement embodies the entire understanding between the parties, and there are no agreements, representations or warranties between the parties other than those set forth herein relating to the subject matter hereof.

Calendar for year 2016 (United States)

January						
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Calendar for year 2017 (United States)

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Proposed Northern California Racing Dates for 2016

As of 8/18/2015 - Race Days Assumed

December						
Su	Mo	Tu	We	Th	Fr	Sa
20	21	22	23	24	25	26
27	28	29	30	31		

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PRA Winter	98
PRA Summer	18
PRA Fall	36
Total PRA	152

Stockton	6
Pleasanton	13
Sacramento	11
Humboldt	6

Fresno	9
Total CARF	45
Santa Rosa	11
Total Fairs	56

January						
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Simo Only Assumed