

CALIFORNIA HORSE RACING BOARD  
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### **PARI-MUTUEL OPERATIONS COMMITTEE MEETING**

Notice is hereby given that a meeting of the California Horse Racing Board's **Pari-Mutuel Operations Committee** will be held on **Thursday, September 22, 2005**, commencing at **2:00 p.m.**, at the **Hinds Pavilion (Barrett's), Fairplex Park (enter White Avenue, Gate 12), Pomona, California**. Non-committee members attending the Board's committee meeting may participate in the public discussion, but shall not participate in any official committee vote or committee executive session.

### **A G E N D A**

1. Discussion regarding the steps necessary to **allow California racing associations to provide rebates to patrons based on amounts wagered or other criteria.**
2. Discussion regarding the **legalization of "players pools" so that patrons could have professional bettors place "mutual-fund" style wagers for them.**
3. Discussion regarding the **use of head-to-head wagers only at on-track locations so as to generate additional on-track attendance.**
4. Discussion regarding the **closing of pari-mutuel pools when the first runner enters the gate for all locations except for those locations that generate hard tickets.**
5. Discussion regarding the **development of a lottery-style wager based on the results of horse races.**
6. Discussion regarding the **scratching of an entire entry for pari-mutuel purposes if part of the entry is scratched after the wagering pool is opened. The remainder of the entry would run for purses only.**
7. Discussion regarding **establishing Advance Deposit Wagering centers at restaurants, card clubs, and other popular locations.**

Further information regarding the committee meeting may be obtained from John Reagan, Senior Management Auditor, at the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, California, 95825; telephone (916) 263-6000 or fax (916) 263-6042. A copy of this notice can be located on the CHRB website at [www.chrb.ca.gov](http://www.chrb.ca.gov)

### **PARI-MUTUEL OPERATIONS COMMITTEE**

Commissioner Jerry Moss, Chairman  
Commissioner John C. Sperry, Member

**STAFF ANALYSIS**  
DISCUSSION REGARDING WAGERING REBATES TO PATRONS  
PARI-MUTUEL OPERATIONS COMMITTEE MEETING  
SEPTEMBER 22, 2005

**Background:**

Current Board policy is that rebates are not allowed. CHRB Rule 1950.1 requires associations to have a prohibition against rebates in their simulcast contracts.

It has been suggested that this policy may need updating. This agenda item is to start that discussion to determine if there is any need for revision of the policy.

**Recommendation:**

Staff recommends that the Committee hear from interested parties regarding this matter.

**STAFF ANALYSIS**  
**DISCUSSION REGARDING PLAYERS POOLS**

PARI-MUTUEL OPERATIONS COMMITTEE MEETING  
SEPTEMBER 22, 2005

**Background:**

Many players, especially new racing fans, occasionally do not have the time to study the runners or lack the confidence to make wagers on our sometimes complicated sport. This proposal is to explore the possibility of creating mutual-fund type wagering pools that are then managed by professionals that place the wagers on behalf of a group of patrons. It is hoped that this option would attract more fans and in particular more wagers to the sport of horse racing.

Clearly, this concept would require new CHRB rules regarding the conduct this type of wagering. In addition, it would seem that new rules regarding the selection of the managers of the wagering pools would have to be promulgated. In any case, this item is to start the discussion on the cost/benefits of this type of operation.

**Recommendation:**

Staff recommends that the Committee hear from interested parties regarding this matter.

**STAFF ANALYSIS**  
DISCUSSION REGARDING HEAD-TO-HEAD WAGERS  
PARI-MUTUEL OPERATIONS COMMITTEE MEETING  
SEPTEMBER 22, 2005

**Background:**

Head-to-head (H2H) wagers are a type of propositional wagers whereby the overall results of a race are of little concern but rather the placement of Runner A versus Runner B. The wager is a proposition: which of these two runners will finish ahead of the other. Of course, this can be expanded to wagering on two jockeys' order of finish or other criteria.

This proposal would offer the H2H wager at on-track locations only to try and attract new patrons to live racing with this fairly simple wager.

**Recommendation:**

Staff recommends that the Committee hear from interested parties regarding this matter.

**STAFF ANALYSIS**  
DISCUSSION REGARDING TIMING OF POOL CLOSINGS

PARI-MUTUEL OPERATIONS COMMITTEE MEETING  
SEPTEMBER 22, 2005

**Background:**

There has been much concern and aggravation over the last few years regarding the closing of the pari-mutuel pools in California and other jurisdictions. The current method of timing the pool closing with the commencement of the race creates situations where money wagered out-of-state before the bell does not arrive in the CA pool until after the race commences (late money). This has caused some well-known instances where significant odds changes occurred during the running of the race. Not surprisingly this creates much suspicion and annoyance among all involved in the game.

This proposal would require the closing of pools when the first runner enters the gate at all locations that do NOT produce a physical ticket. Generally this would mean account wagering operations that conduct all of their business electronically and thus no hard/physical/paper ticket is produced by the system for the patron. On-track and off-track locations (at least in CA) only produce paper tickets as evidence of the patron's wager thereby allowing them to wager up to the bell under this proposal. This item is to explore amending the current method of closing CA pools.

**Recommendation:**

Staff recommends that the Committee hear from interested parties regarding this matter.

**STAFF ANALYSIS**  
**DISCUSSION REGARDING A MEGA-WAGER**

**PARI-MUTUEL OPERATIONS COMMITTEE MEETING**  
**SEPTEMBER 22, 2005**

**Background:**

It is clear that the competition from casinos and the lottery have cut into horse racing's fan base and the industry's profits. It has been the desire of many horse racing fans to create a new bet that will pay huge returns for a \$1 wager. Other jurisdictions has tried the Showdown wager that requires the bettor to select every runner in a race in exact order – or the runners in two, three or more races in exact order. The balancing act is, of course, making the wager look attractive while making it very difficult so as to accumulate a large payout.

This item is for the brainstorming of ideas for that type of wager.

**Recommendation:**

Staff recommends that the Committee hear from interested parties regarding this matter.

**STAFF ANALYSIS**  
DISCUSSION REGARDING SCRATCHES IN AN ENTRY  
PARI-MUTUEL OPERATIONS COMMITTEE MEETING  
SEPTEMBER 22, 2005

**Background:**

Current practice in California is that when one part of an entry is scratched the remaining part of the entry continues as a viable wagering interest. This proposal would change that practice by requiring the entire entry to be scratched for pari-mutuel purposes if any part of the entry is scratched but allow the remaining part of the entry to run for the purse.

This concept regarding entries and scratches is generally imbedded in the CHRB rule for each pari-mutuel pool thus requiring a series of rulemaking files to amend each rule if a change is to be made. This item is to start the discussion to determine if such a change is necessary.

**Recommendation:**

Staff recommends that the Committee hear from interested parties regarding this matter.

**STAFF ANALYSIS**  
DISCUSSION REGARDING THE EXPANSION OF ADW  
PARI-MUTUEL OPERATIONS COMMITTEE MEETING  
SEPTEMBER 22, 2005

**Background:**

Since 2002 Advance Deposit Wagering (ADW) has been legal in California. Currently three providers are allowed to accept wagers on horse racing from California residents. They are allowed to provide this service via "telephone call or through other electronic media". This proposal would seek to create ADW centers are sites that are high-traffic areas in California such as restaurants, card clubs, etc. Once again, this is generally a cost/benefit type of business decision especially considering that in our hi-tech wi-fi world, wireless phones and computers make any location a wagering site.

This item is to begin the discussion regarding this viability of this concept.

**Recommendation:**

Staff recommends that the Committee hear from interested parties regarding this matter.