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CHRB NEWS RELEASE

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OAL APPROVES ACCOUNT WAGERING REGULATIONS

SACRAMENTO, CA – Advance deposit wagering regulations received final state approval Friday, allowing the California Horse Racing Board to consider applications at its January 24 meeting that have been submitted by four companies planning to offer account wagering.

On November 30 the CHRB approved 14 regulations implementing provisions of a new state law that authorizes advance deposit wagering, then submitted those regulations to the state Office of Administrative Law for administrative review. OAL officials advised the Board on Friday that all 14 regulations have been approved. The entire regulatory process, beginning with drafting of the complex regulations through final OAL approval, required less than five months to complete.

ADW is a form of pari-mutuel wagering in which an account holder residing within or outside California establishes an account and then authorizes a Board-approved licensee, betting system, California hub, or out-of-state hub, by telephone or other electronic media, to place wagers on the account holder's behalf.

In order to operate an ADW system, applicants must post a \$500,000 bond or other financial security, which protects the betting pools and customers. They also must establish security access policies and safeguards, protect the confidentiality of account information, and ensure that persons under 18 and other people prohibited from wagering at racetracks cannot open accounts. The regulations also require contractual agreements between the operators, racetracks, and horsemen.

The four applications scheduled to be reviewed January 24 were submitted by Youbet.com, Magna Entertainment Corporation, ODS Technologies (TVG), and Autotote Enterprises Inc.

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