ARCI MODEL RULES COMMITTEE

PETITION FOR NEW RULE OR CHANGE TO EXISTING RULE

Please submit this petition via email to <u>rules@arci.com</u>. Submission of a petition begins a review process within the ARCI and is not a representation that the matter will be acted upon at the next ARCI Model Rules Committee meeting. Other committees may need to review the matter and make a recommendation. Printed petitions should be sent to:

The Association of Racing Commissioners International 2365 Harrodsburg Road, Suite B-450 Lexington, KY 40504 Phone: (859) 224-7070

Your Contact Information:

Name:	Steve May
Organization:	Minnesota Racing Commission
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A. Brief Description of the Issue

The ARCI Model Rules covering the Pick-(n) wager have been amended numerous times since the rules were initially drafted and approved by the Model Rules Committee and ARCI Board of Directors. These amendments have resulted in a rule that is confusing to read, that contains conflicting language, and should not be considered a "model" when being considered for incorporation by a racing jurisdiction.

B. Discussion of the Issue and Problem

Provide background on the issue to build context. Address the following:

What specific problems or concerns are involved in this issue?
When a rule covers a variety of topics, and those topics are not in similar areas of the language, it becomes difficult to read. When a rule is difficult to read, it can lead to parts of the rule being either not applied or applied improperly.

There is also conflicting language in the current rule that could cause the rule to be applied improperly.

	Who does the issue affect? This affects any jurisdiction that chooses to adopt the ARCI Model Rule for Pick-(n) wagers.	
	What existing model rules relate to this issue? ARCI Model Rules, Version 10.0, Rule ARCI-004-105 (G) Pick-(n) Pools.	
	 Once language can be agreed upon, the recommendation would be to review the following rules to ensure congruity: ARCI Model Rules, Version 10.0, Rule ARCI-004-105 (H) Place Pick-(n) Pools ARCI Model Rules, Version 10.0, Rule ARCI-004-105 (S) Exacta-(n) Pools; ARCI Model Rules, Version 10.0, Rule ARCI-004-105 (T) Pick-(n) Position-(x) Pools; and ARCI Model Rules, Version 10.0, Rule ARCI-004-105 (X) Pentafecta Pools 	
	Provide relevant quantitative or statistical information if possible. No quantitative or statistical information is relevant, although the popularity of the Pick- (n) wagers should be taken into account with this petition.	
Provid	le Solutions and Impact e possible recommendations to solve the problem. Include details on each proposed n such as	
	What solution does this proposal provide? This proposal provides a draft of proposed new language. The petitioner is open to edits to this draft to ensure that the final language is useful to all racing jurisdictions.	
	How will the solution fix the problem? The petitioner has drafted language to address the concerns.	
	How will the change affect any entities or stakeholders? The drafted language should not negatively affect any entities or stakeholders, but the petitioner reserves the right to amend the language if a possible negative impact is discovered.	
	How will you or your organization be affected by the proposed change? The Minnesota Racing Commission plans to adopt the ARCI Model Rule in the fall/winter of 2021 if approved by the ARCI.	
	What are the benefits of the proposed change? A clear, more concise Model Rule should result.	
	What are the possible drawbacks of the proposed change? Some states that have adopted the current Model Rule may need to update their administrative regulations to reflect the changes.	
	Identify possible fiscal impact of the recommended change. There are no direct fiscal impacts of the recommended changes since the changes are administrative.	

D. Please identify any affected stakeholder groups that expressed support or opposition. (These stakeholders may include the racetracks, breed registries, owners, trainers, jockeys, veterinarians, or others.)		
For those stakeholder groups that have expressed an opinion, please list the points on which they agree or disagree, and the arguments they have expressed.		
The rule was drafted in consultation with Gary Palmisano from Churchill Downs, Inc.		
Are there any affected stakeholder groups that have not been consulted on this proposal?		
The proposal has been reviewed by the TRA 2050 Committee and several totalizator companies have provided input.		
Please submit any formal letters of support or opposition by stakeholder groups. The proposal has been reviewed by the TRA 2050 Committee and several totalizator companies have provided input. But, no formal letters have been submitted.		

E. Attach the model rule language you are proposing. Please show new language with underlined text. If you are proposing that current model rule language be eliminated, please strikeout the language to be deleted.

A Microsoft Word version using the "Track Changes" feature of the draft language will be submitted to the ARCI and ARCI Pari-Mutuel Auditors Committee.

F. Do any racing jurisdictions currently have a version of this rule in effect? If yes, please attach copies of those rules.

No other jurisdictions have this rule in effect, although the Minnesota Racing Commission has added it to planned administrative regulations revisions for the fall of 2021.

G. Review the RCI Model Rules and identify any other Model Rules this change would affect and submit proposed amendments to those rules to comply with changes that would be made by this proposal.

FILING THIS REQUEST WITH RCI DOES NOT GUARANTEE YOUR PROPOSAL WILL BE CONSIDERED BY THE MODEL RULES COMMITTEE. IF YOU HAVE OPPOSITION FROM AN INTERESTED PARTY, YOU ARE STRONGLY ENCOURAGED TO TRY TO REACH CONSENSUS PRIOR TO FILING THIS FORM.

Definitions

Betting favorite is the contestant with the largest amount of money wagered on it in the Win pool at the close of wagering for a contest. If two or more contestants have the exact same amount of money wagered on each individual contestant, the favorite is the contestant with the lowest program number.

Note: This draft contains many changes. I have attempted to document what those changes are in comments. Readers may want to toggle on/off the "All Markup/No Markup" settings in the Track Changes area of Microsoft Word to more easily follow this draft.

Overall Structure of the New Rules Language

- (1) What the Pick-(n) requires for contests
- (2) Patrons must select the first-place finisher in each contest.
- (3) Official order of finish dictates which tickets are good.
- (4) Association must get permission from the Commission and outline what they are generally going to do with the wager.
- (5) Changes to the pool must get approval.
- (6) Payout methods.
- (7) Unique winning ticket requirements.
- (8) Carryover can be capped.
- (9) Association can contribute to a carryover
- (10) Can distribute the wager on a specific day.
- (11) What happens if a wager is supposed to be distributed on a specific day and nobody correctly selects the contestants.
- (12) What to do on the last day of the meet.
- (13) The association may suspend previously-approved Pick-(n) wagering
- (14) If for any reason the Pick-(n) carryover must be held over to the corresponding Pick-(n) pool of a subsequent meet
- (15) An association may transfer the Pick-(n) pool to another Pick-(n) pool with permission
- (16) Dead heat for first in any of the Pick-(n) contests
- (17) What happens if a wagering interest is "scratched"
- (18) What happens if half of the contests comprising the Pick-(n) are cancelled
- (19) If the condition of the turf course warrants a change

- (1) The Pick-(n) wager requires selection of the winner of each of (n)-specified contests designated by the association and approved by the Commission where (n) is any number greater than 3.
- (2) Each patron placing a Pick-(n) wager must select at least one contestant in each of the (n) contests comprising the Pick-(n) wager.
- (3) The official order of finish for the designated Pick-(n) contests comprise the correct selections for the wager.
- (4) An association must obtain written approval from the Commission concerning:
 - i. the scheduling of Pick-(n) contests;
 - ii. the designation of one of the methods prescribed in subsection (6);
 - iii. any designated pool share or carryover amounts or percentages;
 - iv. the amount of any cap to be set on the carryover; and
 - v. how the Pick-(n) pool and carryover, if any, will be distributed on the final day of the race meet or on an approved specified mandatory payout day.
- (5) Any changes to the approved Pick-(n) format require prior approval from the Commission.
- (6) The Pick-(n) pool must be distributed under one of the following methods:
 - (a) Method 1, Pick-(n) pool with No Carryover
 - i. The net Pick-(n) pool must be distributed as a single price pool to the patrons who selected the winner of the greatest number of Pick-(n) contests.
 - ii. If no patrons correctly selected the winner of at least one of the Pick-(n) contests, the entire pool must be refunded.
 - (b) Method 2, Pick-(n) pool with 100% Carryover
 - i. The entire net pool and carryover, if any, must be distributed as a single price pool to the patrons who selected the winner of all the Pick-(n)contests.
 - ii. If no patrons correctly selected the winner of all of the designated Pick-(n) contests, then the entire net pool must be retained and added to the carryover for the next corresponding Pick-(n) pool.
 - iii. If no patrons correctly selected the winner of least one of the Pick-(n) contests, the entire day's pool must be refunded and the previous carryover pool amount, if any, must be carried over to the next scheduled corresponding pool.
 - (c) Method 3, Pick-(n) pool with a Two Shares and No Carryover
 - i. The net Pick-(n) pool must be divided into two shares.
 - ii. The first share of the net Pick-(n) pool must be distributed to the patrons who correctly selected winner of the all of the Pick-(n) contests and the second share of the net Pick-(n) pool must be distributed to those who selected the winner of the second greatest number of Pick-(n) contests.
 - iii. If no patrons correctly selected the winner of all Pick-(n) contests, the entire net Pick-(n) pool must be distributed as a single price pool to the patrons who selected the winner of the greatest number of Pick-(n) contests.

- iv. If no patrons correctly selected any winner of at least one of the designated Pick-(n) contests, the entire day's pool must be refunded.
- (d) Method 4, Pick-(n) pool with a Two Shares and Possible Carryover
 - i. The entire net pool and carryover, if any, must be distributed as a single price pool to the patrons who selected the winner of all the Pick-(n)contests.
 - ii. If no patrons correctly selected the winner of all of the designated Pick-(n) contests, then the entire net pool must be divided into two separate shares based on percentages approved by the Commission. The first share must be distributed as a single price pool to those who selected the winner of the greatest number of Pick-(n) contests and the second share of the net pool must be retained and added to the carryover for the next corresponding Pick-(n) pool.
 - iii. If no patrons correctly selected the winner of least one of the Pick-(n) contests, the entire day's pool must be refunded and the previous carryover pool amount, if any, must be carried over to the next scheduled corresponding pool.
- (e) Method 5, Pick-(n) pool with Two Shares and Carryover of A Designated Share Only
 - i. The net Pick-(n) pool is divided into two shares.
 - ii. The first share of the net Pick-(n) pool, and any applicable carryover amount, must be distributed to the patrons who correctly selected the winner of the all of the Pick-(n) contests and the second share of the net Pick-(n) pool must be distributed to those who selected the winner of the second greatest number of Pick-(n) contests.
 - iii. If no patrons correctly selected the winner in all Pick-(n) contests, the day's first share and any applicable carryover amount must be carried over to the next scheduled corresponding pool and the second share must be distributed to those patrons who selected the winner of the greatest number of Pick-(n)contests.
 - iv. If no patrons correctly selected the winner of at least one of the Pick-(n) contests, the entire day's pool must be refunded and the previous applicable carryover amount, if any, must be carried over to the next scheduled corresponding pool.
- (f) Method 6, Pick-(n) pool with a Two Shares and Carryover of A Designated Share Using a Unique Winning Ticket
 - i. The net Pick-(n) pool must be divided into two shares.
 - ii. The entire net Pick-(n) pool and applicable carryover amount, if any, must be distributed to a patron who correctly selected the winner of the each of the Pick-(n) contests based on the Unique Winning Ticket Requirements described in subsection 7.
 - iii. If more than one patron correctly selects the winner of in each of the Pick-(n) contests, the first share of the net Pick-(n) pool must be distributed to those

- who selected the winner of each of the Pick-(n) contests and the second share must be added to the previous applicable carryover amount, if any, and must be carried over to the next applicable Pick-(n) contest.
- iv. If no patrons correctly selected the winner of all Pick-(n) contests, the first share of the net Pick-(n) pool must be distributed to the patrons who correctly selected the winner of the greatest number of Pick-(n) contests and the second share and any previous applicable carryover amount constitutes the carryover for the next Pick-(n) contest.
- v. If no patrons correctly selected the winner of at least one of the Pick-(n) contests, the day's first share, second share, and any carryover of a previous Pick-(n) wager must be carried over to the next scheduled corresponding pool.

(7) Unique Winning Ticket Requirements

- (a) An association may require a patron to hold a single, unique winning ticket to be considered a successful wager for any Pick-(n) pool described in paragraph 6(e). In such cases, the association must clearly identify in writing the basis for determining the existence of a unique winning ticket:
 - Unique Ticket. The Unique Ticket basis is used when there is one and only one winning ticket that correctly selected the winner of each of the Pick-(n) contests, to be verified by the unique serial number assigned by the tote company that issued the winning ticket; or;
 - ii. Unique Wager. The Unique Wager basis is used when the total amount wagered on one and only one winning combination selecting the winner of each of the Pick-(n) contests, based up on the official order of finish, is equal to the minimum allowable wager.
- (b) Should the Pick-(n) unique winning ticket net pool and any applicable carryover be designated for distribution on a specified date and performance in which there is no unique winning ticket, the entire pool must be distributed as a single price pool to those who selected the winner of the greatest number of Pick-(n) contests.

(8) Designation of Maximum Carryover Amount

- (a) Upon written approved from the Commission, an association may determine a designated maximum amount for a carryover pool. This designated amount is known as a "carryover cap".
- (b) At the close of any performance, if the amount in the Pick-(n) carryover equals or exceeds the designated cap, the Pick-(n) carryover will remain fixed at that amount until it is distributed under Pick-(n) method that the Commission has approved for the carryover cap.
- (c) If the Pick-(n) carryover is cap is fixed under paragraph 8(b), 100% of the day's net pool, including all amounts which ordinarily would be added to the Pick-(n) carryover, must be distributed to those whose selection finished first in the greatest number of Pick-(n) contests for that performance.

- (9) Upon written approval from the Commission, an association may contribute to the Pick-(n) carryover a sum of money. If applicable, the approved contribution amount may not exceed the association's Pick-(n) pool carryover cap designated under subsection (8).
- (10) A written request for permission to distribute a fixed amount or a portion of the Pick-(n) carryover up to 100% on a specific performance may be submitted to the Commission. The request must be for a specified date no greater than one (1) year from the date the request is submitted and contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.
- (11) Should the Pick-(n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the winner of each of the Pick-(n) contests, the entire pool including the carryover amount must be distributed as a single price pool to those whose selection finished first in the greatest number of Pick-(n) contests.
- (12) Notwithstanding subsection (11), on the last Pick-(n) contest on the final day of the meeting, the net pool, including any applicable carryover, must be distributed as a single price pool to those who selected the winner of the greatest number of Pick-(n) contests.
- (13) An association may suspend previously-approved Pick-(n) wagering with the prior approval of the Commission. Any carryover must be held until the suspended Pick-(n) wagering is reinstated. An association may request approval of a Pick-(n) wager or separate wagering pool for specific performances.
- (14) Notwithstanding subsections (12) and (13), if for any reason the Pick-(n) carryover must be held over to the corresponding Pick-(n) pool of a subsequent meet, the carryover must be deposited in an interest-bearing account approved by the Commission. The Pick-(n) carryover plus accrued interest must then be added to the net Pick-(n) pool of the following meet on a date and performance so designated by the Commission.
- (15) A written request for permission to transfer the Pick-(n) carryover to another Pick-(n) pool operated by the same pool host may be submitted to the Commission. The request must contain:
 - (a) justification for the transfer, including an explanation of the benefit to be derived; and
 - (b) a description of the method by which the pool host will present the information to the public that identifies the racetrack(s) for which the pool will be operated and the intended date(s) and performance(s) of the transfer.
- (16) If there is a dead heat for first in any of the Pick-(n) contests involving:
 - (a) contestants representing the same betting interest, the Pick-(n) pool must be distributed as if no dead heat occurred.
- (17) contestants representing two or more betting interests, the Pick-(n) pool must be distributed as a single price pool with each winning wager receiving an equal share of the profit. If the Pick-(n) distribution requires a unique winning ticket and a dead heat occurs

involving two or more betting interests, the pool must be distributed using the method that the Association has described in Section 6 of this rule.

- (18) If a contestant is "scratched", declared a non-starter, or designated to run for purse money only in a Pick-(n) contest:
 - (a) The association must substitute the scratched contestant with the betting favorite as defined by
 - (b) The totalizator must produce reports showing each of the wagering combinations with substituted betting interests which became winners as a result of the substitution, in addition to the normal winning combination.
 - (c) Notwithstanding the provisions of this subsection, an association may also obtain authorization from the Commission to allow patrons to select an alternate wagering interest in any of the Pick-(n) contests.
- (19) If for any reason greater than 50% of the contests comprising the Pick-(n) are cancelled or declared a "no contest":
 - (a) Wagering on the Pick-(n) must be cancelled and all wagers made on the Pick-(n) must be refunded. All carryover amount, if any, must be carried over to the next corresponding pool.
 - (b) If the Pick-(n) is cancelled and it is the final race day of the meet, any carryover from previous race dates must be held over to the corresponding Pick-(n) pool of a subsequent meet pursuant to Section 14 of this rule.
- (20) Moving a Race or Races to a Different Racing Course and Racing Distance Alteration After the First Racing in a Pick-(n) wagering sequence.
 - (a) If circumstances arise after wagering on a Pick-(n) pool has closed that require a race to be moved to a different racing course or the distance of the race to be changed, all contestants for the that race only are deemed to be a winning selection for Pick-(n) wagering purposes only.
 - (b) A race that is declared "no contest" under paragraph (a) is not to be considered as a contested contest for Pick-(n) wagering purposes only.
 - (c) Notwithstanding subsection (18), all monies from a previous day's carryover and which is advertised as a mandatory day or which is the final day of the racing meet to the betting public prior to the announcement of the contest being moved to a different racing course or the distance of the contest to be changed must be paid as the day's net pool.

Definitions

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Overall Structure of the New Rules Language

- (1) What the Pick-(n) requires for races contests-
- (2) Patrons must select a winnerthe first-place finisher in each racecontest.
- (3) Official order of finish dictates which tickets are good.
- (4) Association must get permission from the Commission and outline what they are generally going to do with the wager.
- (5) Changes to the pool must mut get approval.
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- (11) What happens if a wager is supposed to be distributed on a specific day and nobody correctly selects the contestants.
- (12) What to do on the last day of the meet.
- (13) The association may suspend previously-approved Pick-(n) wagering
- (14) If for any reason the Pick-(n) carryover must be held over to the corresponding Pick-(n) pool of a subsequent meet
- (15) An association may contribute to the Pick (n) carryovermay transfer the Pick-(n) pool to another Pick-(n) pool with permission
 - Permission to transfer the Pick (n) carryover to another Pick (n)
- (16) Dead heat for first in any of the Pick-(n) contests
- (17) What happens if a wagering interest is "scratched"
- (18) What happens if half of the races comprising the Pick-(n) are cancelled
- (19) If the condition of the turf course warrants a change

Commented [MS(1]: Basics of the wager

Commented [MS(2]: Payout items

Commented [MS(3]: I think this should be combined with (9) in some way.

Commented [MS(4]: How to handle problems.

G. Pick (n) Pick-(n) Pools

- (1) The Pick (n) Pick-(n) wager requires selection of the first-place finisher in winner of each of a-(n)-specified racescontests designated number of contests by the association and approved by the Commission where (n) is any number of greater than 3.
- (2) Each patron placing a Pick-(n) wager shallmust selectdesignate a winning horseat least one contestant in each of the (n) races contests comprising the Pick-(n) wager.
- (3) The official order of finish for the designated Pick-(n) racescontests shall-comprise the correct selections for the wager.
- (4) The An association must obtain written approval from the Commission concerning:
 - i. the scheduling of Pick (n) Pick-(n) contests;
 - ii. the designation of one of the methods prescribed in subsection (2)(6);
 - <u>iii.</u> , any major or minordesignated pool share or carryover amounts and or percentages; , and
 - iv. the amount of any cap to be set on the carryover; and
 - v. how the Pick-(n) pool and carryover, if any, will be distributed at the end on the final day of the race meet or on an approved specified mandatory payout day.
- (1)(5) Any changes to the approved Pick (n)Pick-(n) format require prior approval from the Commission.
- (2)(6) The Pick (n)Pick-(n) pool shall must be apportioned distributed under one of the following methods:
 - (a) Method 1, Pick-(n) pool with a Major Pool Share and Nono Minor PoolShare and No Carryover
 - i. The net Pick-(n) pool shallmust be distributed as a single price pool to those the patrons who selected the first-place finisher winner of in the greatest number of Pick-(n) contests, based upon the official order of finish. If there are no winning wagers
 - <u>ii.</u> If no patrons correctly selected the winner of eachat least one -of the Pick-(n) contests-, the entire pool isshallmust be refunded.
 - (b) Method 2, Pick-(n) pool with 100% Carryover
 - i. The entire net pool and carryover, if any, must be distributed as a single price pool to the patrons who selected the winner of all the Pick-(n)contests.
 - <u>ii.</u> If no patrons correctly selected the winner of all of the designated Pick-(n) contests, then the entire net pool must be retained and added to the carryover for the next corresponding Pick-(n) pool.

Commented [MS(5]: Recommendation from CPMA: Change this to "2".

Response: This is based on previous comments from totalizator companies. The Pick-3 is based on the tote operations of the Daily Double and does not work as a scan pool. The Pick-4 and up are scan pools. The Model Rules would retain a Pick-3 rule.

Commented [MS(6]: Horse has been changed throughout the document to allow rule to be used in Greyhound racing.

Commented [MS(7]: Recommendation from CPMA: Delete this line.

Response: The reason that this was put in was to pull it out and make it applicable to the entire rule. Before it was repeated in each and every payout method.

Commented [SM8]: Review in the end to ensure that all aspects of the wager are spelled out in a request.

Commented [MS(9]: The suggestion from the Kentucky Horse Racing Commission are to use the word "winner" throughout this language. I am good either way as long as it is consistent.

Commented [MS(10]: Previous Method 4.

Commented [MS(11]: Suggested addition to this from teh CPMA.

Steve May response: I don't think it is necessary but I wouldn't oppose it either.

- iii. If no patrons correctly selected the winner of least one of the Pick-(n) contests, the entire day's pool must be refunded and the previous carryover pool amount, if any, must be carried over to the next scheduled corresponding pool.
- (c) Method 3, Pick-(n) pool with a Two Shares and No Carryover
 - i. The net Pick-(n) pool must be divided into two shares.
 - ii. The first share of the net Pick-(n) pool must be distributed to the patrons who correctly selected winner of the all of the Pick-(n) contests and the second share of the net Pick-(n) pool must be distributed to those who selected the winner of the second greatest number of Pick-(n) contests.
 - iii. If no patrons correctly selected the winner of all Pick-(n) contests, the entire net Pick-(n) pool must be distributed as a single price pool to the patrons who selected the winner of the greatest number of Pick-(n) contests.
 - iv. If no patrons correctly selected any winner of at least one of the designated Pick-(n) contests, the entire day's pool must be refunded.
- (d) Method 142, Pick (n) Pick-(n) pool with a Major-Two ShareShares Only- and Possible with-Carryover
 - i. The entire net Pick (n)Pick (n)—pool and carryover, if any, shall—must be distributed as a single price pool to those-the patrons who selected the first-place finisherwinner in each of all the Pick (n)Pick-(n)-racescontests, based upon the official order of finish.
 - ii. If there are no such wagerspatrons correctly selected the winning horsecontestant-winner of neechall of the designated Pick-(n) races contests, then a the entire designated percentage of the net pool shall must be distributed divided into two separate shares based on percentages approved by the Commission. The first share shallmust be distributed as a single price pool to those who selected the first place finisher inwinner of the greatest number of Pick (n)Pick-(n) contests races contests and the second share of the net pool; and the remainder shallmust be retained and added to the carryover for the next corresponding Pick-(n) pool.
 - (a)jii. Where there is no correct selection of the If not no patrons correctly selected

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 net pool shallmust be refunded and the previous carryover pool amount, if

 any, shallmust be carried over to the next scheduled corresponding pool.

Method 3, Pick (n) pool with a Two Shares Major Share and Minor Share and No Carryover

The net Pick (n) pool shallmust be divided into a major share and a minor sharetwo shares.

Commented [MS(12]: This really should be defined.

Commented [MS(13]: There are two methods currently called "Minor Pool and No Carryover" but there are slight differences between the two. I have effectively combined the two into Method 2 and eliminated the differences, which would mean that the new Method 3 would be eliminated.

Commented [MS(14]: This was combined after conversations with the Kentucky Horse Racing Commission.

Commented [MS(15]: Suggested addition to this from teh CPMA.

Steve May response: I don't think it is necessary but I wouldn't oppose it either.

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- The the minorsecond share of the net Pick-(n) pool shallmust be distributed to those who selected the first-place finisher inwinner of the second greatest number of Pick-(n) contests accordents.
- If no patrons correctly selected the first-place finisher inwinner of all Pick-(n) contestsracescontests, the entire net Pick-(n) pool shallmust be distributed as a single price pool to the patrons who selected the first place finisherwinner in of the greatest number of Pick-(n) contestsraces.
- If no patrons correctly selected any horsescontestantwinner of at least one of in the designated Pick-(n) racescontests, the entire day's pool isshallmust be refunded.
- (b) Method 2, Pick (n)Pick (n) with 100% Carryover: The net Pick (n)Pick (n) pool and carryover, if any, shall be distributed as a single price pool to those who selected the first place finisher in each of the Pick (n)Pick (n) contests, based upon the official order of finish. If there are no such wagers, then 100% of that day's net pool shall be added to the carryover. Where there is no correct selection of the first place finisher in at least one of the Pick (n)Pick (n) contests, based upon the official order of finish, the day's net pool shall be refunded and the previous carryover pool amount, if any, shall be carried over to the next scheduled corresponding pool.
- (e) Method 54, Pick-(n) pool with a Major Share and Minor Share Two Shares and Carryover of the Major A Designated Share Only-Only
 - i. The net Pick-(n) pool shallis be divided into a-two shares major share and a minor share.
 - The majorfirst share of the net Pick-(n) pool, and any applicable carryover amount, shallmust be distributed to the patrons who correctly selected the first place finisher inwinner of the greatesteach-all of the number of Pick-(n) contests, and
 - ii. Thethe minorsecond share of the net Pick-(n) pool shallmust be distributed to those who selected the first place finisher inwinner of the second greatest number of Pick-(n) contestsraces.
 - iii. If no patrons correctly selected the first place finisherwinner in all Pick-(n) contests, the day's major first share and any applicable carryover amountof a previous major share from the Pick (n) wager shallmust be carried over to the next scheduled corresponding pool and the minorsecond share of the net Pick (n) pool shallmust be distributed to those patrons who selected the winner of the greatest number of Pick-(n) races contests.
 - iv. If no patrons correctly selected the first place finisher inwinner of at least one of the Pick-(n) contests, the entire day's net pool shallmust be refunded and

Commented [MS(18]: This was combined after conversations with the Kentucky Horse Racing Commission.

the previous applicable carryover pool-amount, if any, shallmust be carried over to the next scheduled corresponding pool.

- (f) Method 65, Pick-(n) pool with a Major Share and Minor Share Two Shares and Carryover of the Major and/or ShareA Designated Share Using a Unique Winning Ticket
 - i. The net Pick-(n) pool shallmust be divided into a major share and a minor sharetwo shares.
 - ii. The entire major and minor share of the net Pick-(n) pool and applicable carryover amount, if any, shallmust be distributed to a single-patron who correctly selected the first-place finisher inwinner of the each of the Pick-(n) contests based on the Unique Winning Ticket Requirements described in Sectionsubsection 87.
 - iii. If more than one patron correctly selects the first place finisherwinner of in each of the Pick-(n) contests, the majorfirst share of the net Pick-(n) pool shallmust be distributed to those who selected the first place finisher inwinner of each of the Pick-(n) contests and the second share shallmust be added to the previous applicable carryover amount, if any, and shallmust be carried over to the shall constitute the carryover for the next applicable Pick-(n) contest.
 - iv. If no patrons correctly selected the first place finisher inwinner of all Pick-(n)

 contests, the first day's major-share of the net Pick-(n) pool shallmust be distributed to the patrons who correctly selected the winner of the greatest number of Pick-(n) contests and the second share and any previous applicable carryover amount shall-constitutes the carryover for the next Pick-(n) contest.
 - y. If no patrons , minor share, and any carryover of a previous Pick (n) wager shall be carried over to the next scheduled corresponding pool. correctly selected the winner of at least one of the Pick-(n) contests, the day's first share, second share, and any carryover of a previous Pick-(n) wager shallmust be carried over to the next scheduled corresponding pool.
 - If no patrons correctly selected any horsescontestants in the designated Pick-(n) races, the entire net pool and any carryover shall be carried over to the next scheduled corresponding pool.
- (e) Method 3, Pick (n) <u>Pick (n)</u> with Minor Pool and Carryover: The major share of the net Pick (n) <u>Pick (n)</u> pool and the carryover, if any, shall be distributed to those who selected the first place finisher in each of the Pick (n) <u>Pick (n)</u> contests, based upon the official order of finish. The minor share of the net Pick (n) <u>Pick (n)</u> pool shall be distributed to those who selected the first place finisher in the second greatest number of Pick (n) <u>Pick (n)</u> contests, based upon the official order of finish. If there are no wagers selecting the first place finisher of all Pick (n) <u>Pick (n)</u> contests, the minor share of the net Pick (n) <u>Pick (n)</u> pool shall be distributed as a single price pool to those who selected the first place finisher in the greatest number of Pick (n) <u>Pick (n)</u>

Commented [MS(19]: 7/8/2021 – Updated after consultation with Matthew Moore, AmTote Internation

- contests; and the major share shall be added to the carryover. Where there is no correct selection of the first-place finisher in at least one of the Pick (n)Pick-(n) contests, based upon the official order of finish, the day's net pool shall be refunded and the previous carryover pool amount, if any, shall be carried over to the next scheduled corresponding pool.
- (d) Method 4, Pick (n) with No Minor Pool and No Carryover: The net Pick (n) pool shall be distributed as a single price pool to those who selected the first-place finisher in the greatest number of Pick (n) contests, based upon the official order of finish. If there are no winning wagers, the pool is refunded.
- (e) Method 5, Pick (n)Pick-(n) with Minor Pool and No Carryover: The major share of the net Pick (n)Pick (n) pool shall be distributed to those who selected the first place finisher in the greatest number of Pick (n)Pick (n) contests, based upon the official order of finish. The minor share of the net Pick (n)Pick (n) pool shall be distributed to those who selected the first-place finisher in the second greatest number of Pick (n)Pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first place finisher in a second greatest number of Pick (n)Pick (n) contests, the minor share of the net Pick (n)Pick (n) pool shall be combined with the major share for distribution as a single price pool to those who selected the first place finisher in the greatest number of Pick (n)Pick (n) contests. If the greatest number of first place finishers selected is one (1), the major and minor shares are combined for distribution as a single price pool. If there are no winning wagers, the pool is refunded.
- (f) Method 6, Pick (n)Pick (n) with Minor Pool and No Carryover: The major share of net Pick (n)Pick (n) pool shall be distributed to those who selected the first place finisher in each of the Pick (n)Pick (n) contests, based upon the official order of finish. The minor share of the net Pick (n)Pick (n) pool shall be distributed to those who selected the first place finisher in the second greatest number of Pick (n)Pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first place finisher in all Pick (n)Pick (n) contests, the entire net Pick (n)Pick (n) pool shall be distributed as a single price pool to those who selected the first place finisher in the greatest number of Pick (n)Pick (n) contests. If there are no wagers selecting the first place finisher in a second greatest number of Pick (n)Pick (n) contests, the minor share of the net Pick (n)Pick (n) pool shall be combined with the major share for distribution as a single price pool to those who selected the first place finisher in each of the Pick (n)Pick (n) contests. If there are no winning wagers, the pool is refunded.
- (g) Method 7, Pick (n)Pick (n) with Carryover and "Unique Winning Ticket" Provision: The net Pick (n)Pick (n) pool and carryover, if any, shall be distributed to the holder of a unique winning ticket that selected the first place finisher in each of the Pick (n)Pick (n) contests, based upon the official order of finish. If there is no unique ticket selecting the first place finisher in each of the Pick (n)Pick (n) contests, or if there are no wagers selecting the first place finisher of all Pick (n)Pick (n) contests, the minor share of the net Pick (n)Pick (n) pool shall be distributed as a single price pool to those

who selected the first-place finisher in the greatest number of Pick (n)Pick-(n) contests, and the major share shall be added to the carryover. Associations may suspend previously approved unique winning ticket wagering with the prior approval of the Commission. Any carryover shall be held until the suspended unique winning ticket wagering is reinstated. Where there is no correct selection of the first-place finisher in at least one of the Pick (n)Pick-(n) contests, based upon the official order of finish, the day's net pool shall be refunded and the previous carryover pool amount, if any, shall be carried over to the next scheduled corresponding pool. In obtaining authorization for operating the Pick (n)Pick (n) pool under this subsection, associations must clearly identify which definition under paragraph 16(b) will be relied upon for determining the existence of a unique winning ticket.

- (h) Method 8, Pick (n)Pick-(n) with the Pool split into three shares, one share having a Carryover: The share percentages are determined by the pool host and approved by the Commission. The first share of the net Pick (n)Pick-(n) pool and the carryover, if any, shall be distributed to those who selected the first place finisher in each of the Pick (n)Pick (n) contests, based upon the official order of finish. The second share of the net Pick (n)Pick-(n) pool shall be distributed to those who selected (n-1) of the Pick (n)Pick (n) contests, based upon the official order of finish and a third share of the Pick (n)Pick-(n) pool shall be distributed to those who selected (n-2) of the Pick (n)Pick-(n) contests, based upon the official order of finish. If there are no wagers selecting the first-place finisher of all Pick (n)Pick-(n) contests, the first share shall be added to the carryover. If there are no wagers selecting (n 1) of the Pick (n) Pick (n) contests, this second share shall be added to the carryover. If there are no wagers selecting (n 2) of the Pick (n)Pick (n) contests, this third share shall be added to the carryover. Where there is no correct selection of the first-place finisher in at least one of the Pick (n)Pick (n) contests, based upon the official order of finish, the day's net pool shall be refunded and the previous carryover pool amount, if any, shall be carried over to the next scheduled corresponding pool.
- (i) Method 9, Pick (n)Pick (n) with the pool split into three shares, with Carryovers, and a Unique Winning Ticket Provision: The share percentages are determined by the pool host and approved by the Commission. The first share of the net Pick (n)Pick (n) pool and the first share carryover, if any, shall be distributed to those who selected the first place finisher in each of the Pick (n)Pick (n) contests, based upon the official order of finish. The second share of the net Pick (n)Pick (n) pool shall be distributed to those who selected the first place finisher in the second greatest number of Pick (n)Pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first place finisher of all Pick (n)Pick (n) contests, the second share of the net Pick (n)Pick (n) pool shall be distributed as a single price pool to those who selected the first place finisher in the greatest number of Pick (n)Pick (n) contests, and the first share shall be added to the first share carryover. The third share and the third share carryover, if any, shall be distributed to the holder of a unique winning

Commented [MS(20]: I think this can get handled by a different section concerning unique winning tickets instead of a separate payout section like this. See new Section 7.

Commented [MS(21]: I don't know anyone that does this, although I guess perhaps there is a variant of the V-75 or something like that. Thoughts?

ticket that selected the first-place finisher in each of the Pick (n)Pick-{n} contests, based upon the official order of finish. If there is no unique winning ticket selecting the first-place finisher in each of the Pick (n)Pick-{n} contests, the third share shall be added to the third share carryover. For greater certainty, the holder of a unique winning ticket shall receive both the first share, and first share carryover, if any as well as the third share, and the third share carryover, if any. Where there is no correct selection of the first-place finisher in at least one of the Pick (n)Pick-{n} contests, based upon the official order of finish, the day's net pool shall be refunded and the previous carryover pool(s) amount(s), if any, shall be carried over to the next scheduled corresponding pool. In obtaining authorization for operating the Pick (n)Pick-{n} pool under this subsection, associations must clearly identify which definition under paragraph 16(b) will be relied upon for determining the existence of a unique winning ticket.

(7) Unique Winning Ticket Requirements

- (a) An association may require a patron to hold a single, unique winning ticket to be considered a successful wager for any Pick-(n) pool described in Section 6paragraph 6(e). In such cases, the association must clearly identify in writing which of the following the basis for determining the existence of a unique winning ticket:
 - i. Unique Ticket. The Unique Ticket basis is used when there is one and only one winning ticket that correctly selected the first-place finisher inwinner of each of the Pick-(n) contests, to be verified by the unique serial number assigned by the tote company that issued the winning ticket; or;
 - ii. Unique Wager. The Unique Wager basis is used when the total amount wagered on one and only one winning combination selecting the firstplace finisher inwinner of each of the Pick-(n) contests, based up on the official order of finish, is equal to the minimum allowable wager.
- A written request for permission to distribute the Pick (n) unique winning ticket carryover on a specific performance may be submitted to the Commission. The request must contain
 - justification for the distribution,
 - an explanation of the benefit to be derived,
 - and the intended date and performance for the distribution.
- Should the Pick-(n) unique winning ticket net pool and any applicable carryover be designated for distribution on a specified date and performance in which there is no unique winning ticket, the entire pool shallmust be distributed as a single price pool to those who selected the first place finisher inwinner of the greatest number of Pick-(n) contests.

(b)

(8) The Pick (n) carryover may be capped at a designated level approved by the Commission so that if, at the close of any performance, the amount in the Pick (n) carryover equals or

Commented [MS(22]: Again, I don't know anyone that does this, but either way I think we can handle this with Section 7 below.

Commented [MS(23]: This section will need a little more work, but I think we can get somewhere by pulling this out and having it apply to almost any payout method above. There is no reason that we couldn't have a Major Share/No Minor share with a unique winning ticket requirement, for example, which is why I'd like to have this in a separate section to condense all of this language. Thoughts?

exceeds the designated cap, the Pick-(n) carryover will be frozen until it is won or distributed under other provisions of this rule. After the Pick-(n) carryover is frozen, 100 percent of the net pool, part of which ordinarily would be added to the Pick-(n) carryover, shall be distributed to those whose selection finished first in the greatest number of Pick-(n) contests for that performance. Designation of Maximum Carryover LevelAmount

- (a) Upon written approved from the Commission, Anan association may determine a designated maximum levelamount for a carryover pool. This designated amount shall be known as a "carryover cap".
- (b) At the close of any performance, if the amount in the Pick-(n) carryover equals or exceeds the designated cap, the Pick-(n) carryover will be frozen remain fixed at that amount until it is won or distributed under other provisions of this rule the association approved Pick-(n) method that the Commission has approved for the carryover cap.
- (c) If After_the Pick-(n) carryover is cappedcap is fixed under paragraph 8(b), 100 percent100% of the day's net pool, including all amounts part of which ordinarily would be added to the Pick-(n) carryover, shallmust be distributed to those whose selection finished first in the greatest number of Pick-(n) econtests for that performance.
- (9) With the Upon written approval offrom the Commission, thean association may contribute to the Pick-(n) carryover a sum of money up to the amount of any designated cap. If applicable, the approved contribution amount may not exceed the association's Pick-(n) pool carryover cap designated under subsection (8).
- (10) A written request for permission to distribute the a fixed amount or a portion of the Pick-(n) carryover up to 100% -on a specific performance may be submitted to the Commission-. The request must be for a specified date no greater than one (1) year from the date the request is submitted and contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.
- (11) Should the Pick-(n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the first place finisher inwinner of each of the Pick-(n) contests, the entire pool including the carryover amount shallmust be distributed as a single price pool to those whose selection finished first in the greatest number of Pick-(n) contests.
 - Should the Pick (n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the first-place finisher in each of the Pick (n) contests, the entire pool shall be distributed as a single price pool to those whose selection finished first in the greatest number of Pick (n) contests. The Pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:
 - Upon written approval from the Commission as provided in subsection (8) of this rule.

Commented [MS(24]: Moved to try to get all of the payout language together.

Commented [MS(25]: Moved to try to get all of the payout language together.

Commented [MS(26]: Moved to try to get all of the payout language together.

Upon written approval from the Commission 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.

On the closing performance of the meet or split meet.

Should the Pick-(n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the first-place finisher in each of the Pick-(n) contests, the entire pool shall be distributed as a single price pool to those whose selection finished first in the greatest number of Pick-(n) contests.

- (12) Unless otherwise stated in writing by the Commission under Notwithstanding subsection (911), on the last Pick-(n) race-contest on the final day of the meeting, the net pool, including any applicable carryover, shallmust be distributed as a single price pool to those who selected the first-place finisher inwinner of the greatest number of Pick-(n) contests.
- (13) TheAn association may suspend previously-approved Pick-(n) wagering with the prior approval of the Commission. Any carryover shallmust be held until the suspended Pick-(n) wagering is reinstated. An association may request approval of a Pick-(n) wager or separate wagering pool for specific performances.
- (14) Notwithstanding subsections (912) and (1113), if for any reason the Pick-(n) carryover must be held over to the corresponding Pick-(n) pool of a subsequent meet, the carryover shallmust be deposited in an interest-bearing account approved by the Commission. The Pick-(n) carryover plus accrued interest shallmust then be added to the net Pick-(n) pool of the following meet on a date and performance so designated by the Commission.
- (1) With the written approval of the Commission, the association may contribute to the Pick-(n) carryover a sum of money up to the amount of any designated cap.
- (15) A written request for permission to transfer the Pick-(n) carryover to another Pick-(n) pool operated by the same pool host may be submitted to the Commission. The request must contain:
 - (a) justification for the transfer, including an explanation of the benefit to be derived; and
 - (b), a description of the method by which the pool host will present the information to the public that identifies the racetrack(s) for which the pool will be operated and the intended date(s) and performance(s) of the transfer.
- $\frac{(3)(16)}{}$ If there is a dead heat for first in any of the $\frac{\text{Pick (n)}}{}$ contests involving:
 - (a) contestants representing the same betting interest, the Pick (n)Pick-(n) pool shallmust be distributed as if no dead heat occurred.
 - (b) contestants representing two or more betting interests, the Pick (n)Pick-(n) pool shallmust be distributed as a single price pool with each winning wager receiving an equal share of the profit.

Commented [MS(27]: Moved to try to get all of the payout language together.

Commented [MS(28]: Moved to try to get all of the payout language together.

- (c) If the Pick-(n) distribution requires a unique winning ticket and a dead heat occurs involving two or more betting interests, the pool shall be distributed using the method that the Association has described in Section 67(a) of this rule.
 - (17) If the Pick-(n) distribution requires a unique winning ticket and a dead heat occurs involving two or more betting interests, the pool must be distributed using the method that the Association has described in Section 6 of this rule.
 - (18) If a wagering interestcontestant is "scratched", __declared a non-starter, or designated to run for purse money only in for a Pick (n)Pick-(n) contest, or is designated to run for purse money only,:
 - the The association must shall substitute the scratched contestant with the use the actual betting favorite, as evidenced by total amounts wagered in the Win pool at the pool host association for the contest at the close of wagering on that contest, and shall be substituted for the scratched betting interest for all purposes, including pool calculations.
 - (a) In the event that If the Win pool total for two or more favorites is identical, the substitute selection shall be the betting interest with the lowest program number. as defined by
 - (b) The totalizator shallmust produce reports showing each of the wagering combinations with substituted betting interests which became winners as a result of the substitution, in addition to the normal winning combination.
 - (4)(c) Notwithstanding the provisions of this subsection, an association may also obtain authorization from the Commission to allow patrons to select an alternate wagering interest in any of the Pick (n)Pick-(n) contests.
 - (19) If for any reason more than halfgreater than 50% of the races contests comprising the Pick-(n) are cancelled or declared a "no contest":
 - (a) , and there was no previous carryover amount, wagering Wagering on the Pick-(n) shallmust be cancelled and all wagers made on the Pick-(n) shallmust be refunded.

 All carryover amount, if any, shallmust be carried over to the next corresponding pool.

(a)

- (5) If the Pick-(n) is cancelled and it is the final race day of the meet, any carryover from previous race dates must be held over to the corresponding Pick-(n) pool of a subsequent meet pursuant to Section 14 of this rule. Subject to subsection (9), (10), or (12), the Pick (n)Pick-(n) pool shall be cancelled and all Pick (n)Pick-(n) wagers for the individual performance shall be refunded if:
- (a) at least two contests included as part of a Pick 3 are cancelled or declared "no contest."
- (b) at least three contests included as part of a Pick 4, Pick 5 or Pick 6 are cancelled or declared "no contest."

- (c) at least four contests included as part of a Pick 7, Pick 8 or Pick 9 are cancelled or declared "no contest."
- (d)(b) at least five contests included as part of a Pick 10 are cancelled or declared "no contest."
- (6) Subject to subsection (9), (10), or (12), if at least one contest included as part of a Pick (n)Pick (n) is cancelled or declared "no contest", but not more than the number specified in subsection (5) of this rule, the net pool shall be distributed as a single price pool to those whose selection finished first in the greatest number of Pick (n)Pick (n) contests for that performance. Such distribution shall include the portion ordinarily retained for the Pick (n)Pick (n) carryover but not the carryover from previous performances.
- (20) Changes to the Moving a Race or Races to a Different -Racing Course and Racing Distance Alteration After the First Racing in a Pick-(n) wagering sequence.
 - (a) If the condition of a of the turf course warrants a change of to a different racing surface or course in any races of the Pick-(n), and the change has not been disclosed to the public prior to "off time" of the first race of the Pick-(n)If circumstances arise after wagering on a Pick-(n) pool has closed that require a race to be moved to a different racing course or the distance of the race to be changed, the stewards shall declare all contestants for the that race only shall beare deemed, the stewards shall declare all contestants to be a winning selection the changed races an "all win" race for Pick-(n) wagering purposes only.
 - (b) A race that is declared "no contest" under paragraph (a) race is not to be considered as a contested race contest for Pick-(n) wagering purposes only.
 - (c) Notwithstanding subsection (18), All-all monies from a previous day's carryover and which have been advertised as a mandatory day or which is the final day of the racing meet to the betting public prior to the announcement of a change to the course—the racecontest being moved to a different racing course or the distance of the racecontest to be changed shallmust be paid as part of the dayday's net pool. An "all win" race shall assign the winner of that race to each Pick (n) ticket holder as their selection for that racelf the condition of the course warrants a change of racing surface in any of the legs of the Pick (n) Pick (n) races, and such change was not known to the public prior to the closing of wagering for the Pick (n)Pick (n) pool, the stewards shall declare the changed leg(s) a "no contest" for Pick (n)Pick (n) wagering purposes only. A "no contest" race is not to be considered as a contested race.
- (7) How to handle carryovers if races cancel or move surface.
- (8) The Pick (n)Pick-(n) carryover may be capped at a designated level approved by the Commission so that if, at the close of any performance, the amount in the Pick (n)Pick-(n) carryover equals or exceeds the designated cap, the Pick (n)Pick-(n) carryover will be frozen until it is won or distributed under other provisions of this rule. After the Pick

Commented [MS(29]: Covered in New Section 18.

Commented [MS(30]: Covered in New Section 18

- (n) <u>Pick-(n)</u> carryover is frozen, 100 percent of the net pool, part of which ordinarily would be added to the Pick (n) <u>Pick-(n)</u> carryover, shall be distributed to those whose selection finished first in the greatest number of Pick (n) Pick-(n) contests for that performance.
- (9) A written request for permission to distribute the Pick (n)Pick (n) carryover on a specific performance may be submitted to the Commission. The request must be for a specified date no greater than one (1) year from the date the request is submitted and contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.
- (10) Should the Pick (n)Pick (n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the first-place finisher in each of the Pick (n)Pick (n) contests, the entire pool shall be distributed as a single price pool to those whose selection finished first in the greatest number of Pick (n)Pick (n) contests. The Pick (n)Pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:
 - (a) Upon written approval from the Commission as provided in subsection (8) of this rule.
 - (b) Upon written approval from the Commission when there is a change in the carryover cap, a change from one type of Pick (n)<u>Pick (n)</u> wagering to another, or when the <u>Pick (n)Pick (n)</u> is discontinued.
 - (c) On the closing performance of the meet or split meet.
- (11) A written request for permission to transfer the Pick (n)Pick (n) carryover to another Pick (n)Pick-(n) pool operated by the same pool host may be submitted to the Commission. The request must contain justification for the transfer, including an explanation of the benefit to be derived, a description of the method by which the pool host will present the information to the public that identifies the racetrack(s) for which the pool will be operated and the intended date(s) and performance(s) of the transfer.
- (12) Unless otherwise stated in writing by the Commission under subsection (9), on the last Pick (n)Pick (n) race on the final day of the meeting, the net pool, including any applicable carryover, shall be distributed as a single price pool to those who selected the first place finisher in the greatest number of Pick (n)Pick (n) contests, based upon the official order of finish.
- (13) Notwithstanding subsections (9) and (11), if for any reason the Pick (n)<u>Pick (n)</u> carryover must be held over to the corresponding Pick (n)<u>Pick (n)</u> pool of a subsequent meet, the carryover shall be deposited in an interest bearing account approved by the Commission. The Pick (n)<u>Pick (n)</u> carryover plus accrued interest shall then be added to the net Pick (n)<u>Pick (n)</u> pool of the following meet on a date and performance so designated by the Commission.
- (14) With the written approval of the Commission, the association may contribute to the Pick (n) carryover a sum of money up to the amount of any designated cap.
- (15) The association may suspend previously approved Pick (n)Pick (n) wagering with the prior approval of the Commission. Any carryover shall be held until the suspended

Pick (n)Pick-(n) wagering is reinstated. An association may request approval of a Pick (n)Pick-(n) wager or separate wagering pool for specific performances.

- (16) As it relates to any distribution method under section 2 which contains a unique winning ticket provision: In such cases:
- (a) A written request for permission to distribute the Pick (n)Pick-(n) unique winning ticket carryover on a specific performance may be submitted to the Commission. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution. Should the Pick (n)Pick (n) unique winning ticket net pool and any applicable carryover be designated for distribution on a specified date and performance in which there is no unique winning ticket, the entire pool shall be distributed as a single price pool to those who selected the first-place finisher in the greatest number of Pick (n)Pick-(n) contests.
- (b) Associations must clearly identify which selection under clauses (i) and (ii) below will be relied upon for determining the existence of a unique winning ticket:
 - there is one and only one winning ticket that correctly selected the firstplace finisher in each of the Pick (n)Pick-(n) contests, based upon the official order of finish, to be verified by the unique serial number assigned by the tote company that issued the winning ticket; or
 - the total amount wagered on one and only one winning combination selecting the first-place finisher in each of the Pick (n)Pick-(n) contests, based up on the official order of finish, is equal to the minimum allowable wager.

Table 7: PICK 7 POOL - Multiple Takeout Rates & Multiple Betting Sources (Net Price

Calculation)

(Net Price Calculation)

Percent

Takeout

Gross Pool Gross Amt.

Bet on Win

Net Pool Net

Amount

Bet on Win

Source 1 16.0 \$190,000.00 \$44.00 \$159,600.00 \$36.96

Source 2 18.5 \$10,000.00 \$18.00 \$8,150.00 \$14.67

Source 3 21.0 \$525,730.00 \$124.00 \$415,326.70 \$97.96 TOTALS \$725,730.00 \$186.00 \$583,076.70 \$149.59 **Total Profit** Total Net Pool < MINUS> Total Net Bet on the Winning Combination \$582,927.11 Profit Per Dollar Total Profit < DIVIDED BY> Total Net Bet on the Winning Combination \$3,386.8321 \$1 Unbroken Base Price Profit Per Dollar < PLUS> \$1 \$3,387.8321 \$1 Unbroken Base Price for Source 1 \$1 Unbroken Base Price <MULTIPLIED BY> (1 <MINUS> Percent Takeout) \$3,274.1789 The Association of Racing Commissioners International **Model Rules of Racing** Page 83 Version 9.21, March 2020 \$1 Unbroken Base Price for Source 2 \$1 Unbroken Base Price < MULTIPLIED BY> (1 < MINUS> Percent Takeout) \$3,176.7331 \$1 Unbroken Base Price for Source 3 \$1 Unbroken Base Price <MULTIPLIED BY> (1 <MINUS> Percent Takeout)

\$3,079.2873