



STRONACH
GROUP

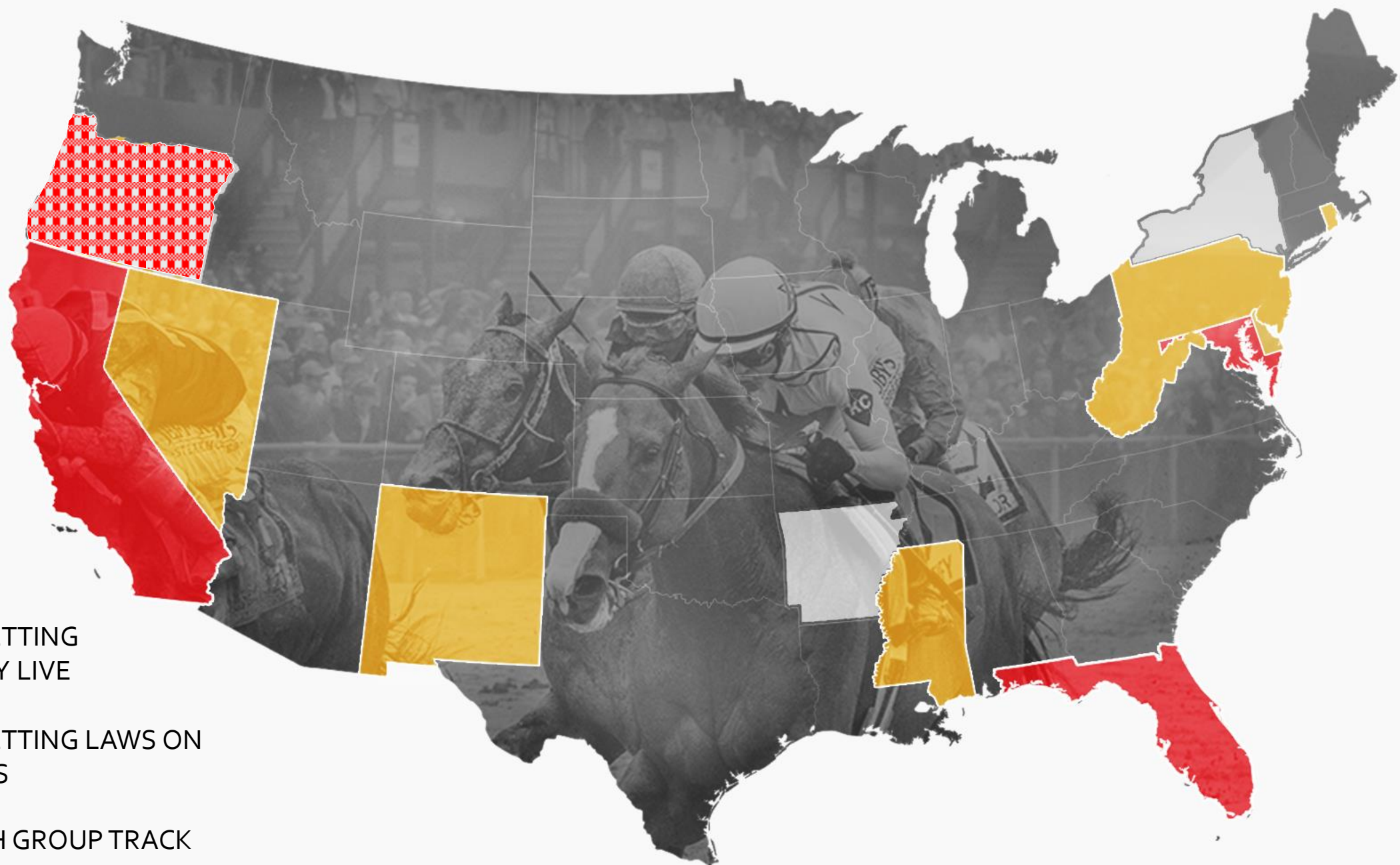
SPORTS BETTING

WHERE WE STAND

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■ SPORTS BETTING
CURRENTLY LIVE

■ SPORTS BETTING LAWS ON
THE BOOKS

■ STRONACH GROUP TRACK

OREGON



- “Grandfathered” into limited sports betting (SB) due to SB games offered through state lottery prior to 1992 federal ban
- Scrapped lottery SB in 2007 to appease NCAA
- Lottery would like to offer SB by third quarter of 2019, likely through a mobile application and an extensive network of retail locations
- Tribal Casinos will likely be included, but participation by racing is far from clear

MARYLAND



- The 2018 bill for referendum on SB passed the MD House of Delegates (124-14 vote) but failed in the state Senate. The bill would have permitted SB at racetracks and casinos.
- Optimism that Bill will be reintroduced in 2019 → If approved, voters will have their say in a 2020 referendum → SB legalized by 2021?
- Do efforts to circumvent referendum by looping-in MD Lottery threaten interests of racing industry?
- November 2018 Washington Post/Univ. of MD poll:
 - 53% of electorate favors legalizing SB
 - Strong support from voters under 40
 - Opposition from voters over 65

FLORIDA



- **Passage of Amendment 3:** Any new authorization of “casino gambling” must be approved by the voters
- **Impact on Sports Betting**
 - 1) Is SB a form of “casino gambling?”
 - 2) SB may not be covered under Amendment 3’s definition of “casino gambling” as it arguably is not the type of game “typically found in casinos”
 - 3) “Casino gambling” as defined by Amendment 3 does not provide voters “fair notice” that it encompasses SB. The list of examples on the ballot form did not include SB
 - 4) Legalizing SB at racetracks like Gulfstream *will not* trigger a reduction in revenue-sharing payments from the Seminole Tribe to the State of Florida

CALIFORNIA



GOLDEN GATE FIELDS



- Referendum needed to pass SB can make the 2020 ballot via legislation or via voter petition process
- Proposed bill did not move past committee in recent legislative session
- Who will offer SB if bill passes? → Tug of war with various parties at the table
 - Racetracks
 - Card Clubs
 - Tribal Casinos
 - CA Lottery?
- Tribal Casinos have a powerful lobby and are, so far, vehemently opposed to online/mobile SB
- CA is a large/lucrative market, but racetracks face significant challenges in the fight to offer SB

FIXED ODDS & THE IHA

- The Interstate Horse Racing Act of 1978 (**IHA**) applies to all wagers on horse racing, whether pari-mutuel or fixed-odds
- The IHA requires consent when taking bets on out-of-state races
- Is fixed-odds wagering a beneficial model for the US racing industry?
 - What would takeout be?
 - What compensation should host tracks receive?
 - What is the impact on liquidity?

