



**Wednesday, December 5, 2018**

## **The Value of Supporting Racing's Core Product and Players**

### **Moderator:**

**Steve Byk:** Host, At the Races with Steve Byk, SiriusXM

### **Speakers:**

**Michael Amo:** Member, New York Racing Fan Advisory Council

**Patrick Cummings:** Executive Director, Thoroughbred Idea Foundation

**Christopher Larmey:** Chairman, NHC Players' Committee, The National Thoroughbred Racing Association

**Matt Vance:** Vice President of Operations, Global Gaming RP, LLC

**Ms. Wendy Davis:** All right.

We're just about back to post time.

Let everybody get a little cup of coffee and then head back in. ®

Oh. That silenced very quickly.

Wow.

They're ready for the live radio show to start, Steve.

**Mr. Steve Byk:** I just finished.

**Ms. Wendy Davis:** Yeah. Steve is doing double duty this morning because, as I hope all of you know, Steve has been doing his radio show live right here from the exhibit area here at the symposium.

The panel today, or the panel at this point, is The Value of Supporting Racing's Core Product and Players.

Our first two panels talked about how we get racing to a bigger audience, but what about the audience who's been dedicated customers until now, and what can you do when you show racing to these potential new customers?

What might there be to spark their interest? The real point of this panel is not forgetting who's been here all along and not running after the pie in the sky and remembering who we've served.

Just before we get started, I wanna thank International Sound, and then The American Quarter Horse Association, and the Jockey Club, who will be sponsoring our mentor luncheon.

Just a reminder, if you are participating in the mentor lunch, that it does happen after this panel session.

Your moderator for this session is Steve Byk, obviously hosts At the Races with Steve Byk, a race writer, broadcaster.

It's the Thoroughbred racing's longest-running national daily news and talk show.

I think anybody who's anyone has been on that show.

The thing that I want to point out here, and to illustrate why Steve is such a great host for this panel session is — I'd like to read the last line of his bio.

"Steve is a passionate advocate for the industry at all levels and strives daily on the radio and in his daily activities to deliver a positive message about the sport to the stakeholders, the horse players, and the fans."

I think that's what we wanna do.

We wanna deliver a positive message and a positive experience and utilize them.

We have great potential out there.

Let's not ignore it.

Steve, with that, I'm gonna kick it off to you and your esteemed panelists.

**Mr. Steve Byk:** Wendy, thanks and delighted to be back here.

This is the third time in the last four years I've been able to come.

It's so much fun.

The students — and I've cured myself of saying "young people" because it's obviously a wide array of ages and experience that come to the RTIP.

You come here, and it's hard not to be enthusiastic and be encouraged by people that wanna be involved in the game.

When it comes to getting people involved in the game from the most important portion of it out in the world, it's the horseplayer.

That's our core customer.

It's our reason for everything.

Wanna talk today from some interesting and different perspectives about that topic.

What I'll do is we'll introduce everybody quickly, and then we're gonna let everybody put out a little — they've got a little video kind of tie-in to their topic and to their approach to the objective at hand, the value of supporting racing's core product and players.

Matt Vance, with us from Global Gaming, Remington Park.

I was lucky enough to come to Remington for an Oklahoma Classics Night, which was tremendous fun, and I was always impressed immediately that Remington — unique as a racing facility and gaming facility that was integrated with both.

Chris Larmey is here. Chris, of course, one of the prominent players in the game and in the contest world, working and helping NTRA and NHC with a player perspective.

Pat Cummings, who I've known for, my God, 15-plus years, and Pat's international perspective back in North America now and able to contribute on a new initiative that Craig Burdick got going, the Thoroughbred Idea Foundation, tryin' to affect some positive change.

Michael Amo from New York I've known for 10-plus years, easily, started ThoroFan, and, enthusiastically from within the state government side of things, was eager to try to make a positive impact, and draw eyes, and draw interest in the game.

We've got people that have come to the sport from basically different angles and should have, I think, a wonderful discussion.

Matt, I'll start with you.

You can introduce Remington Park for those who've never been to OKC and talk a little bit about your approach to this.

**Mr. Matt Vance:** Thank you, sir.

You can go ahead and put the video up.

This just shows our facility.

This is actually a commercial we have running now, just of the improvements we've put into the facility.

Some interesting drone footage that **[unintelligible 00:06:19]** helped us out with.

### **[Video Played]**

Something that I think is key here, you'll notice there aren't any tepees or Chuck Wagons still in Oklahoma.

That's kind of been a plan that we've worked on for several years now, ever since Global Gaming purchased us.

They gave us the resources that we needed to put into the facility and to create an awareness program, that we've got a really good core product in our facilities, our field sizes, and just the general product that we've put out overall.

That's kind of what we've done.

Marketing our product, building relationships with you in the audience here today, along with other members on the panel here, and trying to get the message out that we are definitely a competitor, and a class-one facility, and offer a good product.

We've got a good program in place to ensure that we put quality fields and quality field sizes out for the gambler.

**Mr. Steve Byk:** Matt, I guess I'll interject a question or two as we move down the line.

As I mentioned, one of the things that amazed me right away, there's been a long-running, I suppose, meme that says that the racinos, they have to interest in the racing product and that, if possible they try to obscure the racing from anybody that's in the gaming section of the building.

I was immediately impressed that at Remington that, when you went upstairs into the gaming area, there was the gorgeous balcony, basically, that overlooked the racetrack.

There were TV screens with the odds up, and it was absolutely integrated into the gaming area.

To me, it flies in the face of that notion that the gaming community is trying to hide horse racing.

I thought Remington, and obviously Scott Wells and everybody from the start at Remington, you had a real interest — you do have the culture of the horse as well

in Oklahoma which plays into — I think, into a positive hand, but talk a little bit about being quite willing to have the horse player in the gaming area.

**Mr. Matt Vance:** Well, Scott Wells and I have always been adamant about keeping horse racing relevant, keeping racing relevant in our own operation.

From day one, when we built the casino, that was very key and important that we maintain that crossover, if you will, to showcase racing.

We're lucky in Oklahoma that our license, our gaming and racing license, is dependent on horse racing.

I think we're probably luckier than some of the states out there.

Our racing commission is dedicated to that, and they understand the message, the importance of keeping racing relevant with the changes over the past 30 years, if you will, and now, what we're talking about this week with sports betting coming on.

Keeping racing relevant is pretty much the most important thing to keep our game going, and building that awareness, and keeping the core player interested, and at the same time crossing over the new people that we're bringing to the track, in our own instance with our casino.

We try to cross-promote all of our marketing efforts and promotions to drive attention and handle to the races.

**Mr. Steve Byk:** You've also got a very strong state breeding program which plays really a significant part.

It's fully integrated into the package and the racing that you offer.

There's a very strong economic benefit to the whole state that drives the business.

**Mr. Matt Vance:** We have a very good relationship with both of our horseman's groups. We have the HBPA TRAO, Thoroughbred Racing Association of Oklahoma, and the OQHRA, with the quarter horses.

We work hand-in-hand with Debbie Schauf and Daniel Barber and their groups.

Both groups were pivotal in helping us establish and create the legislation, and it's a partnership and a relationship with those folks.

We're fortunate that from day one that, in the early days, it was — my father designed it as the horseman's racetrack.

Although we're not like Meadowlands — is it Meadowlands or Monmouth that's owned by the horsemen?

They don't own us, but they get the idea, and we're partners in this.

We thrive and survive on that.

**Mr., Steve Byk:** Turn to Chris Larmey.

Chris, we've had a terrific hour on the radio this morning.

Talk a little bit, introduce what you wanna show as a jumping off point regarding the industry being as cognizant and as tuned in to the player and the core message.

You had an interesting definition, and I would love for you to basically jump off from there.

**Mr. Chris Larmey:** Thanks.

I just want to thank the Race Track Industry Program for inviting me out here.

I think it's really good to have a player on a panel like this, so I'm gonna take it seriously.

I know horseplayers that would love the opportunity to sit in front of this room of shakers and movers in the industry and have a chance to talk about what are the issues we see from a horseplayer's standpoint.

I'm gonna try to represent horseplayers in general.

Some of the things I say may not necessarily represent my own views, but I think this'll give you a good feel for the horseplayers out there and what they're experiencing on a daily basis.

What Steve alluded to a minute ago was I wanted to throw out as a starting point: this is about racing's core product, this panel.

The question I'd like to throw out to the panel, and to the people out in the audience is, "What is racing's core product?"

When we say, "racing's core product," what do we mean?

If we haven't agreed upon what that is, then it's really hard to talk about how we improve that.

Anybody wanna jump in, out in the audience, on the panel session?

How would you define racing's core product?

**Mr. Matt Vance:** I think, at the end of the day, it's the four-legged animal out there that attracted us all to the gate, the horse.

Then, you know, it's grown from there.

**Mr. Chris Larmey:** The horse?

Anybody else?

Any other ideas?

**Speaker:** I think it's all about entertainment as well.

**Mr. Chris Larmey:** The entertainment aspect.

**Speaker:** It's betting.

**Mr. Chris Larmey:** Betting.

Bingo.

To me, there's one right answer, and I think that the horses are absolutely essential, the horsemen absolutely essential, the breeders absolutely essential, racetrack management absolutely essential, jockeys, everybody.

They're putting that show on, but the product that you sell is a bet.

That's what people are buying.

That's where the revenue comes from.

It's the betting.

You're selling bets.

Who do you sell those bets to?

You sell them to players, and so when we talk about the core product.

It has to be betting-centric.

I don't want to de-value all the other aspects of the industry, and certainly, you're selling the entertainment piece, that's part of the experience.

The horses, certainly essential for putting on the show, and also for the experience, but what you're really selling is a bet.

That's really important. What I'll ask all of you out there, that are in the industry right now, raise your hand.

Did you make a bet in the last weekend or week?

Who made a bet on a horse race?

That's great. I see a lot of hands, but I see a lot of people not raising their hands.

Imagine I was in a room on an Apple computer meeting, with a room full of Apple executives, and I asked the question, "How many of you used an iPhone or iPad in the last 24 hours?" How many hands do you think would go up? Probably every hand in the room.

Those people know, firsthand, what their product can do, what it doesn't do so well, what that customer experience is on a daily basis.

They can appreciate that, and that kind of knowledge really enables them to make good decisions about what they need to do to improve that player experience and improve the product quality.

If you don't have that experience, that firsthand knowledge, then you're at a disadvantage in terms of making good decisions.

Unless you surround yourself with people or you communicate with the people who do have that knowledge, you're at a real disadvantage for trying to move the industry forward and improve that core product.

To me, that's something we need to keep in mind, and you'll see me — I don't wanna take all the — I have a longer set of slides, but hopefully we'll get a chance to chat and I'll bring up the points, but you'll hear me keep coming back to, "How does this improve the player experience?"

In particular, "How does it make a bet a better product that you sell?"

If the answer is, "It doesn't," then that's probably not core.

That's what we're talking about.

What are the core things that you need to and improve to move the industry forward and support long-term growth?

I'm gonna kinda play that role.

By the time we're done today, I may upset or aggravate people on the panel or in the audience, but I'm sort of playin' that role from a player perspective.



What are the issues that we need to be addressing and why haven't we addressed them already?

That's about all I need to say.

**Mr. Steve Byk:** Pat.

**Mr. Patrick Cummings:** Thanks, Steve. I have some slides that I want to show and kind of take a bit of a study of one topic that I think is key for the player.

Our organization was founded in August, and it's fairly new.

You can find our reports at [racingthinktank.com](http://racingthinktank.com).

The four main issues that we are trying to advocate for for change within the industry are based around a series of topics: better pricing, increased transparency, improved access to cheaper information, and a better product development.

All of those touch directly on the core player, the core player's experience, and what it is that we as an industry need to do to improve.

I'll talk later on this afternoon about one aspect of the transparency element from a stewarding perspective.

The other topic that our organization has put up front and center is an element that directly challenges the current pricing model of betting and racing, and that is breakage, which has gone essentially unchallenged in horse racing for the best part of nine decades, and how we, as an overall industry, can perhaps price our product better, stimulate the tote pools, and present maybe a more united front to treat racing's core players with respect, and stimulate the markets by giving back players the change that they duly deserved and that has been retained.

The purposes for that retention, I think, are no longer necessary.

I can get into that with my slides.

**Mr. Steve Byk:** Very good. Michael.

**Mr. Michael Amo:** Well, I guess by way of introduction — you want us to just do a brief introduction then go into the —

**Mr. Steve Byk:** Yeah.

**Mr. Michael Amo:** I think that the sermon that I'd like to preach to you is that we have a very large, untapped audience that the racing industry is missing, and that's called the fan.

We'll talk about that in my presentation, with some of my slides, and what I think we can do, and how we did it in New York, or what we tried to do in New York.

McKinsey and Company told us all at the Jockey Club this year that the study — there were 16 million racing fans in New York state.

We asked, "What are we doing with them to advance our product, our core product? Are we using them, or are we staying within a closed system, or are we using the 16 million people to drive our product?"

**Mr. Steve Byk:** By way of my own thoughts coming into this, and this is something that Chris and I launched into with him mentioning bet as the core.

I had basically a similar notion, but I wanted to try to encapsulate the concept and the need that not just track management but virtually every portion of the industry needs to kind of embrace, which is an engaging, competitive product, presented well, and priced properly.

What I was trying to do was use as few words as possible and to be as succinct as possible about what has to be front and center to the horseplayers.

The basic premise here, the value of supporting racing's core product and players — the value?

The value is that's what our business is.

It's implicit, and it's certainly in face of real competition for the first time.

Let's be honest, we've squandered the unique opportunity that we had as the only place on the internet to make a wager.

We've had years — I mean, Steve Crist has warned about this for ages, and now there's real competition, and, to be honest, it feels like we're woefully prepared because we haven't even taken care of the most important customers that we have.

The internet came along and the opportunity for players, for people that really enjoy the game and wanna be engaged, and want to bet, and want to spend their money — they're communicating their dissatisfaction, and we're unresponsive as an industry.

I'll send it back down the way.

Matt, for customer service, what is Global Gaming's approach to satisfying the needs of the players?

Of course, you're doing it in bricks and mortar.

**Mr. Matt Vance:** We also have our extensive OTB network.

Customer service, though, is definitely one of our core values.

It has been since Remington's inception.

Global Gaming has picked that up, and, again, I keep sayin' things like they bought into it and understand how important it is.

We've adopted the Disney theme as far as working with our team members, and communicating to our guests, and really making them a part of the family.

Then I keep going' back to the core product and to betting.

Everything we do is centered around that.

Every morning, I'm on the phone or in the racing office going over entries.

Obviously, field size — we've been in the top five nationally in field size probably for a good dozen or 15 years.

We're proud of that. We've got a good population of horsemen and horses.

We're fortunate there with the declining foal crops.

We've been able to maintain that, and so, in keeping the field size large is just very important.

It's like a random generator in a slot machine.

You're gonna get — the bigger the value is gonna be.

That's why guys and gals play max credit.

We feel like, when you're wagering on a Remington Park product, you're hitting the max credit button.

That's the way we look at it.

We've instituted policies in our racing office when it comes to entries to prevent the manipulation of field size.

It's no secret with the declining foal crops over the years that field size has gone way down in certain markets.

When we get the Thoroughbreds in August, they're coming from different parts of the country where they're used to runnin' in five- and six-horse fields.

I'm not gonna knock a trainer for wanting to run with less competition, especially with the money we're givin' away, but we do our best to establish protocols and standard operating procedures.

We just did this last year.

We instituted a policy that if a trainer enters a race with multiple entries, and they scratch us down to six or less, then both of those horses are goin' on a list, and they won't start for 20 days.

We won't accept their entries, and that's helped.

Again, I hate to use the word "manipulation," but it is. Some of the bigger outfits can take advantage of that when they have the bigger stables.

Pulling out, to that, it's a rule that individuals, specific trainers, can't have any more than 40 stalls on our back stretch.

Of course, the big outfits can rent a farm down the road, and they keep the highways burnin' between Remington and Lone Star, where they operate a training facility while we're racing, but that's just some of the many things that we do to try to keep that-

**Mr. Steve Byk:** You want to put the best product out there for players to look at.

**Mr. Matt Vance:** Right.

That and, in the last seven years, since Global Gaming purchased us, we've established relationships with TBG, more recently the Racing Forum, old relationships that we're kind of rekindling.

Getting the word out.

I hate for the racetrack operators in here — but we're really getting to where it's pay to play.

We're in a market in Oklahoma City where we don't sell a lot of papers.

We've had to be creative in ways to spend a little money here and there to get our name out there and keep our pool sizes relevant.

Again, growing those pools is very important.

I'm happy to say that, since Global Gaming purchased us in 2010, that we've doubled our handle and all-sources handle.

Currently, we're 10.4 percent up export and 6 percent up live.

Our attendance is up 3 percent.

That's going up off of good numbers that we've already established, our own good numbers.

Keep doin' that and keep workin' with our partners.

We have the fans.

We have the horsemen that we have to sit across the table with.

Then we have our ADW partners, which — our ADW's are big fans, just in a different light than the common fan was 20, 30 years ago.

Keeping up, keeping' abreast of the changes, the cost in changes that are going on, listening to everybody here on the panel, the voices, and keepin' up with Paulick Report and the BloodHorse, and all that.

We just try to stay as close to one-step ahead as we can be, instead of a couple steps back.

**Mr. Steve Byk:** Chris, player satisfaction, we discussed it today.

The marketplace out there, obviously things like takeout, and there's been initiatives. There's been progress.

Talk a little bit, to your way of thinking, and from your own handle, your own bankroll. What's working?

What can be done immediately?

What can all facilities, whether it's ONTrack, whether it's ADW's — what can be done to just make for a better product?

**Mr. Chris Larmey:** Well, you're going to start winding me up here, so make sure that you just tell me when to stop because it's a target-rich environment from a player perspective.

The way I thought about it and characterize it is I think there's three aspects to that core product you need to pay attention to.

One is cost, the other I'll call quality, and third is what I'll call the overall player experience.

On a cost standpoint, I think right now, from the viewpoint of the players, the product is overpriced.

The takeout's too high, in general. Not in all cases, but overall. We need to reduce that takeout.

Now, I usually characterize the players into two categories.

There are what I'll call the really serious or professional players.

They're really in it to make a long-term profit, to grind out dollars.

They churn money through, and even though they're a minority of the players, the vast majority of the handle comes from them.

They're very price sensitive, but unfortunately, lowering the takeout doesn't really help most of them because they're getting rebates.

That's part of the way they grind out their profit, and if you don't do something with host fees, they don't really win when you lower takeout.

Now, the recreational players will immediately get benefits from a lower takeout, so we don't want to ignore them.

They're an important part of the handle, and also, they're an important part of the future.

People don't just start out as professional horseplayers on day one, or really serious players.

You've got to get them involved and grow them.

Price is a big deal.

That's probably one of the harder things to solve.

I know it's complex, but from a player perspective, especially with the new opportunities like sports wagering, where relatively speaking, at least today, price is much lower for a bet — remember, we're talking' about the core product bein' a bet — that's something that's a real challenge to the industry.

That's the first thing you'll hear, especially from the big players, is, "It's too expensive. You've gotta do something about that."

I'm not gonna harp on that, but I'm trying to kind of talk about this in order.

That's something that's really important for long-term growth.

If we don't do something about that, it's just gonna slowly eat away at the industry.

There's also other costs, like cost of information, cost of going to the track, but I think those are secondary to the actual price of the core product, which is the bet.

On the quality size, you hit on it.

Probably the key things from a quality standpoint, from a better, you want a large, competitive field.

You need both.

You can have a big field that has a 3-5 shot, and that's not a great betting race, typically.

It helps to have a bigger field, but, especially for recreational players, a lot of what appeals to a recreational player is that intellectual challenge of handicapping a race.

A 5-horse field with a 2-5 shot's not a lot of fun to handicap, but a 12-horse turf race with a lot of horses that have a chance of winning, that's fun.

Also, the chances of hittin' a big score, a superfecta, or stringing together a couple winners in big fields in a Pick 3 or Pick 4, that chance for a big score is really appealing to those recreational players.

If they don't get excited about it, they're gonna lose interest and go on to something else. They'll never become a more serious player and maybe even graduate up into the expert, professional kind of level.

For the professionals, the same thing.

They want a product where they can find edges and exploit those.

They're just looking for little edges that they can hammer.

Bet big dollars and grind out a profit.

That product quality is probably number two on the list.

I'll tell you, I've been in this business as a player for a long time, and that's one area where quality has gone down.

It's because of just, a) the number of horses out there, and b) just horsemen do not race their horses very often.

The average start for a horse is probably half of what it was when I first started playing. That's a big deal.

Again, not an easy problem to solve.

The third part, this player experience piece, I think — and stop me if I'm taking too much time, Steve — is the part where I think there's a lot of easy things, easy problems to solve.

By not having solved them already, it's like you're insulting the players.

It's like they wonder, "Do you even understand or care about the experience we have at the track? Because if you did, how in the world can you let these things continue?"

I'll give some examples.

First, I'll start with the infrastructure of racing, I'll call it.

Starting with the tote system.

The tote system — to me, I'm amazed at how well they've been able to keep it patched, and kludged, and maintained to keep up with all the technological changes, and the changes in the wagering menus, and the shift from onsite to offsite betting, but the basic infrastructure is the same infrastructure they had 20 or 30 years ago.

It creates challenges from a security standpoint, a reliability standpoint.

At some point it's gonna get worse.

Also, just from an innovation standpoint, there's all kind of things you could do that would prevent a lot of the things like late odds changes and other things you could do to make that user experience better.

I think some investment in that infrastructure, again, that's probably a little tougher to solve, but that would go a long ways to improving that player experience.

Remember, the core product's a bet, and how do we bet?

We bet with the tote system.

You would think that would be the number-one piece of infrastructure we'd be investing in within the industry, and the basic core is 20, 30 years old.

Then the other two pieces on the infrastructure.

One is timing a horse race.

I can watch a baseball game, and a guy hits a homerun, and instantly, they can tell me how the speed and trajectory of the ball leaving the baseball bat.



We still can't time how long it takes a horse to get from point A to point B consistently and accurately.

I'm not talking' about small tracks that don't have a lot of money to spend.

I'm talking' about the major venues in the biggest races make blatant, obvious — anybody watching the race knows that time can't be right.

If it doesn't get pointed out to them by players, it will just go completely unaddressed.

This is a piece of information that's foundational for most horseplayers.

It's where speed figures, and pace figures, and past performance are all built around that information.

Without good information about the timing of a race, it's really hard for players to make intelligent betting decisions.

Again, if the core product is the bet, how can we allow that to happen?

Something that's so easy to address.

This is 2018.

We should be able to time races accurately and consistently.

That's another example of the infrastructure.

I'll just hit one more thing 'cause I know I'm taking too much of the time, but the third piece probably from the infrastructure standpoint would be just as simple as the video presentation of the product.

In the last five years, all the sporting events I've watched that I wasn't watching live, all of them I've watched in high definition except one type of event.

What do you think that was?

A horse race.

From trying to appeal to new fans, trying to watch a horse race that's not in HD, it's just not very pleasing, but it's even more important to the more serious horseplayers because watching the races and watching the replays of the races, that's a big part of many handicappers' toolkit.

If you're watching some low-resolution, poorly filmed replay of the race, you can't see important things that you need to see to make good betting decisions.

Again, if the core product is the bet, and the user experience is watching the race, how can we not invest in that?

How can we not, in 2018, have every horse race presented in every platform in HD?

It's crazy.

I could go on and on, and I'm sure we'll hit some other topics, but that's just some examples that I think the industry could address.

If we really understood what the core product was, and really appreciated that player experience, these things would have been addressed a long time ago.

The fact that they aren't makes horseplayers wonder, "Do they understand, or even care about the player experience?" That's about how I'll —

**Mr. Steve Byk:** No, it's a fair question, especially in an era when there's less racetrack management that is coming from off the race track.

There was, of course, an extended era where every facility basically was being run by owners and by horsemen.

With corporate structure and with basic management changes, you've had a lot more — frankly, you've got a bean-counter mentality, and you've got people that really did not grow up in the business or on the back stretch and are basically disconnected from the wagering.

Certainly, there's people in the mutual department that understand the nuts and the bolts. Doesn't mean they necessarily understand the mentality of the player.

You bring up a couple of perfect examples.

The timing situation is just embarrassing.

It continues to vex us on a regular basis, even as recently as this Saturday.

There's other affronts to the horseplayer.

The post drag phenomenon.

This is an ecosystem, and racetracks cannot be trying to take advantage and using their signal as a battering ram on the rest of the industry.

It absolutely is hurting the overall handle across the industry.

It just feels like there's management that's out for themselves and have no real regard for the overall health of the industry, and the players are seeing this.

It's what is basically contributing to a negative atmosphere that pervades.

These are easy fixes, as Chris suggests.

I've talked repeatedly for years about our inability to respond to any crisis.

It's stupefying that there aren't any ombudsmen.

There's nobody that players can reach out to at a racetrack or at their ADW that will proactively answer questions, that will go find solutions and get back to them.

Even big, cumbersome companies like Spectrum and Verizon, if I make a compliant online, somebody reaches out from Spectrum.

I broadcast the show over the internet.

There's days where I've got a problem with Spectrum, and somebody gets back within minutes online.

They'll send a DM.

They'll say, "Please follow us and we'll — " I gotta admit, I'm impressed, frankly.

People have to get on a phone or — how can we not have an auto-response and people that display real interest in the players' needs, and will go get them answers? There's no excuse. Pat, in Hong Kong how...?

**Mr. Patrick Cummings:** Well, it's a totally different world, literally, in terms of what that experience is like.

I mean, I kind of want to branch off of what Chris had just said, and just I'll offer a very quick anecdote, and then show my slides relative to the topic of breakage.

Relative to race timing, there was a race at Belmont in September, a mile and five-eighths, 100,000 listed stake.

It was run by Rocketry, and it lowered a 98-year track record that had held since it was set by Man o' War in 1920.

I went back, and I looked in the DRF archives at the sectional times that were available, because at the time it was a world record for a mile and five-eighths on the dirt.

Sure enough, every single quarter-mile of that mile and five-eighths had a time, had a fractional time.

I went and looked at the chart from Rocketry's race in September of this year.

There was a half-mile, a three-quarter, a mile, mile and a quarter, and a final time.

The data from a race 98 years ago was more robust than a race today.

That is just embarrassing for this sport.

There are ways forward, but I just don't think enough racetrack operators are taking their role seriously enough to be able to present data and products that kind of go together.

The blame doesn't go to Equibase.

The blame is the collection.

They're just holding the information.

It's where that information is coming from.

I wanted to tell the story through a conduit of breakage, and if you could cue up the slides in the back I would appreciate it.

There was a question that was posed to Duncan Taylor, who's a commercial breeder: If you could change one thing in racing what would it be?

He says, "When we start working for our customer, the horse bettor, our business will grow."

In the last 15 years, handle in North American racing is down 48 percent, adjusted for inflation.

I would suggest, based on this remark, we haven't been working for our customers because our business is not growing.

Relative to Steve's point, the most fundamental thing the industry should be doing is supporting its core players and its core products.

The topic I highlight here is breakage, but there's a whole lot of them.

These are kind of the ABCs of the issues of the industry as it would be faced with players.

An antiquated tote system, Chris' point.

Course conditions.

The fact that Churchill Downs put up the turf course condition is good for the start of the juvenile turf sprint.

I tweeted that if that course is good, then I'm riding the next race two over.

Okay?

It was an embarrassment, especially given the times that were put up that day.

Race distances.

We're running races at the wrong distance.

There are errors.

Access to information is questionable, and expensive when it's there.

There's a whole lot of them, but the sport has fundamentally changed over time.

Speaking of change, that's really what I kinda wanna talk about, is a way we can price the sport better.

Here's an actual solution that I think that racetracks, regulators, and horsemen can work together to provide back to the better something different, a new path forward, to maybe start changing things and presenting a different solution.

If you don't know about breakage, it's loose change.

It's the difference between what bettors should receive and what they actually receive.

Over the course of the Triple Crown this past year, there was almost \$1 million in breakage from those who bet on Justify to win.

You know what the published takeout is, but the effective takeout's a lot different.

Just looking at Justify in the Preakness alone, he actually —

**Mr. Steve Byk:** Go back.

Go back, if you would, on the slide.

**Mr. Patrick Cummings:** Yeah, sure.

Right here?

**Mr. Steve Byk:** Yeah.

Let people absorb that.

**Mr. Patrick Cummings:** Just let's look at the Preakness line here for a second.

I think that's kind of tangible.

You can publish a takeout at 18 percent, but the takeout is never 18 percent.

It's always some degree higher.

Here, based upon the way that the math worked out, the effective takeout in the win pool makes it more expensive than other bets.

The effective takeout was almost 21 percent in the Preakness.

It's pure math.

Interestingly enough, Justify would have paid more to place than he would have to win if it weren't for the breakage.

That red line is the actual raw return that bettors would have gotten back in the Preakness, but the yellow line is the actual return.

Over \$462,000 was retained, money that people could not churn back into the system over the course of either the next race, the next two races, the next day, and certainly not those that had it in their ADW accounts.

That number is about \$50 million a year that is retained out of the system, and ADW's keep breakage.

They are not churning it back into their players' accounts.

A sidebar to this, and I think racetracks really need to pay attention to this because there's a direct benefit.

If you switch to a penny breakage system, you can also eliminate the mandatory minimum requirements to pay out to 210 or 220 depending on your state.

It is absolutely antithetical to the pari-mutuel system that the bet taker has an opinion on the result of the race, but that is the case for operators when there are bridge jumpers.

You want them to lose or else you're funding the difference, and if you eliminate the position of the racetracks to have to retain breakage, you can give that money back.

You don't have to pay minus pools. It's a huge benefit.

I'll just show you two Harness tracks, kinda take a different perspective here.

These are the statistics from New York just over a four-year period, Yonkers and Vernon Downs.

Now, New York taxes breakage at different rates — you see what their after-tax breakage was over those four years combined — but they paid out more in minus pools.

This is a threat.

This is a risk to the racetrack operator year after year that you're paying out more money than you were ever getting in breakage in the first place.

Eliminate breakage, move it to penny breakage, eliminate your mandatory minimums, and you're not paying this out.

What you would be doing is stimulating your tote pools.

I use a bigger example here to show you NYRA.

Pre-tax, they held \$3 million back last year, but they only saw 100,000 of it because they're having to pay out 1.8 million in minus pools.

We're of the belief that if you were to switch to penny breakage system, this would be a massive stimulus package to your horseplayers, and the tracks, the states, the horsemen will get that money back through churn.

How many churn cycles?

It depends.

It could be five, six, seven times, but right now this money is being extracted from the system.

You can support racing's core players working with your state regulators to give this money back to the players.

It's gonna do a lot of things.

Here's just a few of them. Placing show pools would finally be playable for professionals.

Right now, they're not.

You say, "Why is that the case?"

If I bet a horse to place and I get \$2.40 cents back, but I should have gotten \$2.58, a professional thinks, "My entire profit has been savaged by the hand of breakage."

You'll reduce effective takeout and whatnot, as well.

I talked about all those different types of issues just to highlight Chris: turf rail settings, run up variances, bad sectional times, excessive variance in charts from track to track.

There's a lotta different things that can happen, but horseplayers are unhappy with the status quo.

If we are not serving them now, I think there's gonna be a big issue.

Current customers who don't get these four things from racing will leave.

They are leaving.

Potential customers won't consider racing without these four things.

That's our take on what we think needs to happen to the core player.

**Mr. Steve Byk:** Thanks, Pat. Michael, I know you've got some visuals.

**Mr. Michael Amo:** Yeah.

You can put 'em on when I start.

Okay.

I mentioned that we're gonna do — my sermon is I wanna tell you what we're missing here.

As a beginning to this, I couldn't agree more with everything the panel members said.

I really believe that they're really giving good forewarning to what's gonna happen to our industry.

I just want to take a different slice of it because — I don't know the background of everybody here, but I've never made a nickel working in the racing industry.

I'm a player.

I'm a fan.

I'm a guy that spent my entire career in healthcare.

Right now, I'm 20 years as a county legislator representing the southern part of Orange County in New York, so I'm an elected official.



I chair the gaming committee for our county.

That's what I do.

I'm not in the business, but I can tell you what it's like to feel like a fan.

The one thing that I get my eyes on — that I put up here — wait — did I miss one? Okay, the top — nevermind.

Okay, where do we find the fans?

I put that up there for you to think a minute about this.

I said in the beginning I think we're missing a lot by not tapping the fans.

This question was a question that was asked to me, and I want to tell you the story.

In 2007, I attended a New York State hearing, by the New York State Senate on the future of racing in New York State.

I was amazed as a fan that there were no other fans in the audience that I could recall seeing, and certainly there was no fans invited by the New York State Senate to testify.

It was all the executives and the people who make a living in the industry were asked to tell the New York State Senate what should happen in racing in New York.

After the hearing, I walked up to the senator, who I happened to know — I can give you my political background — and I said to him, "Why don't you have a fan? Why didn't you invite a fan?"

He said, "We don't know where to find 'em."

I said, "You don't know where to find a fan?"

I said, "This is really strange."

I went home, and I had to ponder this question.

It occurred to me what he was saying, and I wouldn't do this in my status as the chairman of the Economic Development Committee in my county.

I wouldn't go to OTB and say, "You come testify before my committee."

I would want a legitimate representative of a fan base.

“Where do I find `em?”

we said.

We began to look around, and we found no legitimate organization of fans in the country in 2006.

Hence, a group of people who were from Saratoga predominately, got together and formed the group that I’m the chairman of, called ThoroFan.

We’re a 501(c)(3) corporation that is designed specifically to represent — it’s a grassroots — to represent the fans.

We have members across this country in all jurisdictions of racing.

We’re just trying to be the official representatives.

Somebody once said, “We want to be the AAPR for the racing fan.”

I think that’s a good way to look at it.

Having said this, two years later, maybe two and a half years later, the senate decided to have another hearing on the future of racing.

This time, I was invited to testify before the state senate and present what I thought the fan was thinking about, not just what the industry representatives were thinking about.

At the end of that, I walked away feeling, “Well, I got my piece said.”

About a month later, I got a call from the chief of staff of the state senator who ran racing and wagering for the Committee of Racing and Wagering.

He said, “We want to talk to you. We think there’s an advantage in what you told us, and we want to talk about the creation of a fan group that would represent fans before the State Racing and Wagering Board,” now the Gaming Commission, so we began that dialogue.

The end result in 2011, Governor Cuomo and the State Senate and Assembly agreed to a resolution to create the New York State Racing Fan Advisory Council, which was a picked group, a five-member panel.

Nobody can work in the industry.

You have to be a fan, very limited connection.

You can own one horse or a partnership, but you’re not really to be actively involved in the industry, make a living in it.

The senate, governor had the five appointments, three of them were recommended by the Gaming Commission, the racing board, one by the New York Assembly Racing Committee, and one by the Senate Racing Committee.

I got the Senate Racing Committee appointment to sit on that board.

From 2011 through '16, we visited racetracks, we had hearings, we got the fans to give us input.

We continued on.

We wrote reports on failed Belmont Stakes meets.

It was mostly in New York.

In 2011 the Gaming Commission reinstated the resolution and created the council again for another five years.

In that resolution — I think I put it up here.

Well, that sort of talks about what was said back in my Mark Simon — 2009.

“Giving the fans a sense of ownership may help grow the sport. Excluding them is ignoring. That certainly will not.”

I think that’s what New York did, maybe even ThoroFan, our group, did, is to try to recognize the fan in some way that you could bring ‘em to the table.

I don’t want to bore you with this.

This you can get online by going to New York State Gaming and look up under racing, the New York State Racing Fan Advisory Council, and see the enabling resolution that created it.

I highlighted the two most important things that the Gaming Commission in New York said.

They said, “Whereas, in the interest and opinions of the racing, fans are an important aspect — ” next—“whereas the New York State Gaming Commission recognizes the significance of the interest opinions of the racing fans.”

That’s powerful language from the New York State government to say we look at this as a significant role in our sport.

When they took it farther to create it, they listed the following mandates to this: They said, “Please, Racing Council, help us grow the fan base, number one.

Engage our New York State racing fans faith population so we grow the sport.

Ensure that the opinions of the fans are heard and brought before us when we create regulations. Please advise the Commission on all issues related to horse racing in New York State.

Better educate the fans.

Try to teach the fans what they need to know so they're better represented in sports. Recommend to the Commission appropriate changes to the Commission that affect all racing regulations."

You can see that. I listed a thing on the bottom.

This was the mandate that we were given as a racing council.

As I move forward, I think about what we did with that, and over the years you can see the reports we gave.

In any political world, a lot of times, you'll see dates.

They stumble because we have election years, and during election years, you don't necessarily do a lot.

You just try to get reelected.

You'll find gaps in some of the reporting that comes out, but that's all part of the political world.

What we did is, last year the State Senate gave the Racing Council \$100,000 and said, "Here. Go do your job. You got a mandate. Go do your job."

The first thing we did with that \$100,000 is we contracted with Sienna College Polling to poll 2,000 residents in New York State about their opinions on racing.

We did 800 actual interviews of a 60-question item that got — the way pollers do it, they move down through steps.

Then we had about 900 to 1,000 people who did an internet survey.

I can't release the information to you today because it hasn't been approved by the Gaming Commission.

That's politics.

It has to be approved by the Gaming Commission before we can do it, but I can tease you a little bit.

I tease you to tell you that we know from this, statistically, that there are four million racing fans in New York State that are self-identified as people who believe they love the sport.

They follow it, some degree of luck.

They may be better, very small number, but they really like the sport, and they follow it.

We found out that women who are part of the sport represented a significant larger number than most studies show.

I can tell you it hovers around 40 percent that we found in the study.

That study will probably come out some time in the first part of the year.

We know that there's a lot of people who are fans that we may not be tapping to help us advance the agenda that we have on this board.

Try to get takeout changed in New York State, or any state, and you're gonna have to get the politicians and the regulators behind you to do it.

You've got four million constituents.

Why aren't you using them in New York?

You got 16 million constituents in the nation.

Why aren't we using them?

I can tell you from my experience that I was once told by the Chief of Staff of the Senate, "You don't need to hire, Michael, a lobbyist. You know the senator."

Yeah, I do.

Well, guess what?

How many of these 16 million people do you think know the right people in our state that can help us advance our agenda?

As a county legislator, I sit, and I have hundreds of people come before me, before meetings, and tell me how I should legislate.

I listen to some, and I act on some.

The one that can really convince me is one of the constituents that comes to me and says, "This is the good reason for doing this."

I think we're missing that.

That's really the message.

In this particular slide that is put out in 2010, "The action and passion of most committed fans are really gonna save our industry."

Who are these fans?

I began by asking you.

Who are the fans of the industry that we're concerned about?

Chris and the group talked about, "Well, what's the core product? It's the better."

I don't disagree with that.

I might argue that I go to the track for entertainment, and I bet on the side.

Probably if I couldn't bet I wouldn't go, but it's entertainment for me.

I tell the story to friends of mine as an example that if there's — I don't play golf, so I go to the racetrack with \$300 in my pocket.

A good friend of mine, he's a doctor.

He takes \$300 and goes to the golf course.

He plays.

He comes home in the evening and his wife says to him, "Did you have a good time?"

He says, "It was great, great time."

My wife says to me, "Did you win?" "

Hell, no.

I had a good time.

It was my \$300.

That's what I wanted to spend that day.

What's wrong?

My doctor friend spends \$300.

“Why couldn’t I spend 300?”

Maybe I’m a terrible handicapper, but I had a hell of a good time that day.

Maybe we’re missing that point.

Who are the fans that I think we need to talk about?

The fans, I really think, are bettors, and we’re not gonna disagree upon that.

I get shocked at some of the stuff that I hear.

When \$12 billion is bet annually and going up, and with a 20 percent takeout blended, the fans, at least, give the industry \$2 billion.

“Here, \$2 billion. You got it.”

Run your purses.

Run your track.

The fans are giving you that.

In my world, it’s sort of a tax, but I won’t call it that here.

Look, take two billion.

The fans or the bettors are critical, but I think we miss the horse enthusiasts in our model.

These are people who really care about the animal.

They participate and volunteer in aftercare.

They make donations.

They’re passionate about the sport.

They’re as much a fan — maybe they don’t bet as much as the people Chris was talkin’ about, but they’re real fans, and they’re important to us if we want to move our needle and our agenda.

We have knowledgeable people that are members of my group that amaze me.

One of our board members was a managing director at Goldman Sachs.

I can’t tell you how much money he made a year.

He loves the horses.

A different kind of guy.

You would never expect that.

We have PhD pharmacists.

If I need a question on medication, I don't need to read BloodHorse. I can go call one of the people up and ask them to give me an answer.

I have doctors, lawyers, veterinarians that are on our board, and also people in industry.

Are we tapping the knowledge of these people who are structural engineers, that are sitting there, but they're great fans?

Are we using them?

How do we get new owners in our industry?

By taking our fans and showing them the backside.

Showing them what it's like.

One of the events that our group ThoroFan did was we produced — and you'll see some copies back there — something called The Guide.

It's a guide to saddle towels.

It's expressly designed so the fan on the rail in the morning can identify what trainers have horses on the track, and it's a full educational tool to try to educate fans about what morning workouts are all about.

From there you grow people who now want to be owners.

We have people who have been executives, and we have customers that sometimes people miss who come to the track with \$20 or \$30 to spend, aren't really gonna move the handle, but are gonna spend a lot of other money on the track out of their pocket — from admission, to parking, to food, to beverage, to whatever, to have a good time.

There's still another piece of the puzzle that we want to use.

The last group that I said is probably all of us out here.

I'm accused of saying we're not all fans, and I know we all are fans.



One of our advisory board members, Nick Zito, said to me one time, "You know, first and foremost, we're all fans."

You know, he's right.

First and foremost, we're all fans.

Not just because we bet, but we're all fans.

How do we need to look at this in terms of an action statement, in terms of what we're trying to accomplish?

I think we need to recognize that if by betting money, takeout, and a lot of the things I said, the fan is not just a customer, or the guest, as they might call them in New York.

The fan is really a stakeholder of the industry as much as anybody else.

He's a leg on the three-legged stool of racing.

If the fan falls apart, drops out, the stool's gonna tip over.

It can't stand on two legs. We have to recognize that.

I look at the example of the racing council.

I don't see why there's only one in the country, in New York.

Why can't fans be talking to their legislature and talking about can't we do something to bring the fans' voice to the Gaming Commission?

I've heard people, Steve, talk about — I think he used the word "bean counter" in one way that made me think of something.

If you poll the members who are gaming commission members across the country, there's not a lot of them that have a lot of racing experience.

Who's telling them about that?

In our state alone, we just passed a referendum to put four casinos in the state of New York.

I'm listening about the sport's betting, and right now the referendum that passed has — the four casinos are the only places that you can do sports betting.

Now, if the legislature convenes and changes that, that could happen, but mostly the Gaming Commission is so focused on the regulations of casinos it's betting that the issue of horse racing is left on the sidelines a lot of times with them.

How can you get more councils out there in different states by using your collective critical mass to move forward?

I think one of the things I'm amazed with sometimes is — and I've had this conversation with other leaders — look at the boards that we have that run our industry.

I won't even mention for fear I'd anger some people, but just look at them.

Take a look at the people that are on those boards and ask yourself how many of them are just fans.

I'm gonna tell you that you're gonna find that it's a very, very small percentage of people who are on the governing bodies of boards of this racing.

Why not?

If we're stakeholders, if we're core players, if we're really that important, why aren't we being brought in? We have a lot to offer.

I give credit to Jack Wolf from Starlight Racing.

When he began to create the Safety & Integrity Alliance some years ago, he asked me if I would be on the advisory board for that committee.

What do I know about safety and integrity in racing tracks?

Well, I ran a hospital for 25 years in management.

I had to get our hospital accredited every three years by the Joint Commission on Accreditation of Healthcare Organizations.

I knew those standards inside out and how they worked.

I sat on that board and tried to give advice about what language to use in the standards and how to measure them when you went to do a survey, and how the survey process should work.

I didn't have half the knowledge that some of the other people had, but I had one little piece of knowledge that I thought was valuable to the group.

Similarly, I was invited to sit on the Aftercare Alliance for the same reason.

I think if we take a look at the fans we have out there, we might say, "Hey, you could sit on that group. You could work with me 'cause I really think that you could help us move this needle in our industry."

Some of the issues that are being talked about here are really driven home and are accomplished in the political world, where it really counts.

**Mr. Steve Byk:** Michael, we've only got a couple minutes —

**Mr. Michael Amo:** Okay.

**Mr. Steve Byk:** and I wanna get some final thoughts about messages to send out into the industry.

Pat let's work it back this way.

What do you want to see happen, of course, in your role with the Idea Foundation?

You do have a prescription and an angle on this, the message that you want to impart.

**Mr. Patrick Cummings:** Without question it's — I think we start with the basic numbers, and we see where the industry has stood over the last 15 years, down 48 percent inflation adjusted, to say there's almost no change that can't consider or start to implement soon enough.

It really has to happen.

We get plenty of people to come to us that have said, "Ah, breakage. What's that? There's something else that's more important than breakage."

Or stewarding rules. "Come on. The rules are fine. Do something else."

A good idea executed today is better than the perfect idea when it's too late.

There are a lot of broken windows in this industry, and if you aren't trying to fix those, patch them up, and leave it better than you had it, then that number that we see that's down 48 percent over 15 years, it's only gonna continue that downward trend.

I would say the issue itself doesn't matter.

We have a couple issues that we're advocating for but get out there and make changes.

The status quo is untenable for this sport for the future.

Start makin' those changes now.

Wherever that change is, we're certainly gonna support it.

**Mr. Steve Byk:** Chris, as a player — and you're already in a role where you're trying to help shape some decisions and some direction, the NTRA and the NHC — your message.

**Mr. Chris Larmey:** Well, first of all, for those of you who don't know me, I'm really an optimist.

I might sound pessimistic, and this is the greatest game there is.

That's what I'd like, to keep it that way. I've seen the player experience improve in a lot of ways.

I used to bet before account wagering where I had one track, and I had a very limited menu to bet on, and the information available was pretty limited, to today I can wake up in my pajamas and be betting on races at Ascot, and then races at Aqueduct, and Del Mar, and Hong Kong all in one day.

I don't want to lose sight of that.

I think some of the younger people don't appreciate how many really cool changes have occurred within the industry, but I do think that we have to continue to evolve, and that we're falling behind in a lot of ways.

Some of the numbers that Pat referenced support that.

Don't lose sight of the core product.

Try to familiarize yourself with the core product and that player experience is.

If you can't do it firsthand, talk to your players.

Get them involved.

Some of the ideas that Michael had are good.

We really do need to make some changes, and we didn't hit on — we could talk about this — Steve and I spent an hour, and Pat had a whole laundry list that he flashed up on the screen.

We just touched on a few things.

I like the broken windows analogy.

We have a building full of broken windows.

Players walk into the building, and they look up and they say, “How can you not be fixing these things?”

Everybody can see them. It’s not like they’re a secret.

Let’s start gettin’ somebody out there and makin’ the changes we need to do to address these issues.

I think you’ll see a response from players, and you’ll be able to grow new players and keep the old ones.

Right now, we’re kind of dying one player at a time, literally, in this industry.

We need to look towards the future and grow it.

That’s kinda where I’d leave it.

**Mr. Steve Byk:** Matt, for Remington, and for the Chickasaw nation, and Global Gaming, your message outward, actually, as opposed to internally.

**Mr. Matt Vance:** It’s obviously we have the most passionate, cerebral fans of any business, sport for that matter, as you can attest from everyone on the panel, here.

We’re gonna do our best to keep improving, continually improving.

I’d love to take the fellas here on the panel to the races someday at Remington Park and show you around.

I’ll take you out and show you the timing wire I laid 28 years ago and explain the process of why sometimes that happens and why we don’t put up with it when you have timing issues.

We’re aware and maybe — not maybe.

I know that I’m really fortunate to have Global Gaming as our parent company and Scott Wells, our president and general manager, who has that same passion.

We are horsemen. I grew up on the racetrack, so did Scott.

It means a lot to us when things like that happen.

I can’t tell you how many times — it’s in the hundreds — that Scott has called me ‘cause that \$7,500 maiden claimer could not have run 1.08 in two.

It doesn’t happen very much, very often, but we address it, and fix it, and try to continuously communicate to you, the fans, and the players, and to display that, and hopefully it comes back and continues our successful numbers that we’re experiencing versus what other parts of the industry are.

**Mr. Steve Byk:** And I'll just add that I think there is so much potential to get things right, the fundamentals, the basics that are not complex.

So many of the issues that we've had to deal with, not just in recent years but over the modern era, I suppose, since the OTB era started, around 1970, are self-inflicted.

That part can be repaired.

Then the outreach to the players and to more or less make a commitment to a better message, to improve our messaging overall as an industry by showing nonstop appreciation for the business that's coming our way from the players.

That's only one important element, obviously, but there's other elements that we're sending a terrible message out to the public.

I'll use this year's most glaring one, which is the way in which we inhibit innovation.

An interested horseplayer, Robin Howlett, developed an open-source handicapping tool using basically charts.

Yes, proprietary to some degree, but in a completely altruistic manner.

He was trying to create something that would help horseplayers.

Of course, the industry shut him down, and he's not the first that's had this experience.

That's just a great message that we're sending, that we don't want innovative thinkers.

We don't want people that are original and creative.

What industry sends out that message to its participants?

Things like this are killing us and are just, to me, maddening.

Not that I'm the only person trying to send to a positive tone for the game, but I am doing it for 750 hours a year, three hours a day, Monday through Friday.

To be honest a lot of it comes across my windshield.

I don't understand, with the bright people that I know are in every organ of the industry, how we find ourselves in the position we're in.

It doesn't make any sense.

We have too many participants.

From players, to owners, to the horsemen, to the racetrack operators, to the ADW companies, there are too many smart, successful people for us to not be thriving.

We're doing the exact opposite.

A reckoning is coming.

You've been hearing about it, and we have got to absolutely redouble efforts and work together.

That's why I've mentioned that topic earlier that really irks me, that you've got some strong individual entities that are sending messages that they're only out for themselves.

There's not gonna be anything for anybody if we are not working together as an industry.

This is an ecosystem, and I'll go to my favorite line that you've heard me spout for 15 years. I

t's an LBJ-ism.

"Don't spit in the soup, we've all gotta eat it."

The time has come to really break down the barriers between any segment of the business because there's not gonna be a business.

I want everybody to look at the resources, and look at their sphere of influence, and understand that we've got to send out an absolute message that the player is paramount, and it's their interest in the game that drives us.

If we start sending that message, a lot of the other issues — and we addressed the kinds of things that irk them — a lot of the other problems will fade away, and there'll be momentum in the right direction.

Everybody here, it's a nice mix of perspective, and you can tell that everybody wants to do the right thing.

I think that that's the case across the entire industry and business.

I just hope that the message and the urgency is apparent to people.

I fear that it's not.

When we talk about the value of supporting racing's core product and players, to me there's no job two.

This is the only thing that we should be worrying about.

We'll take some questions and some thoughts from anybody.

**Mr. Scott Wells:** [Unintelligible 01:18:26] we started that 26 years ago.

I would have thought that within two years every track in the country would be doing it.

How much weight a horse carries around the racetrack is critically important to the handicapper.

When we do something like that, if fans would spread a little praise around and pressure their own local jurisdictions to also do it — fortunately, The Stronach Group has started doing it as well, but it's gone at a snail's pace.

Everyone on that panel, particularly the Idea group and so on, can help us get traction with those things.

I'd like to point out also that Remington has free admission and free valet parking.

We invest many, many thousands of dollars in fan education.

We do the backside tours.

We do all these things.

If we get a little pat on the back and the local jurisdictions can point to us, or to anyone else that has a good idea, and say, "This is good for racing. Let's do it. For the next month, I'm only gonna bet those tracks that do it" or whatever.

Put a little pressure on some people. Help us move the needle.

This panel has been great.

I felt a little pain as Matt has, too, I'm sure, because some of the things that are being criticized, we have tried to correct, and we are continuing to try to correct.

I will tell you right now on the behalf of Global Gaming, when we meet here again next year, we will have moved on some of these things, but help us.

This type of critique is helpful.

I apologize because I've got to go to the men's room but this is terrific.

**Mr. Steve Byk:** I think it's just worth saying, Scott, that we hear lots of different tracks, and lots of different customers, and lots of different issues, but for what it's worth, I haven't heard many people at all, complain about Remington.



For what it's worth —

**Mr. Scott Wells:** We've got a long way to go. Fan education ongoing proposition.  
Creating new owners.

We've had terrific success with our racing clubs at both Remington and Lone Star last year.

I think that's something that's catching on.

Some of those people are horseplayers that are interested in owning horses.

Already from those memberships, we've had people actually go out and buy horses, become owners.

I think they'll be in it for the rest of their lives.

We appreciate any opportunities to have input like this.

I believe that we're gonna show individually that our track — we're gonna tackle some of these problems.

You have our **[unintelligible 01:22:09]**.

**Mr. Steve Byk:** Thanks, Scott.

The racing club, if you're looking for a positive in the industry, has really worked.

The racing club phenomenon that — Churchill's initiative spread like wildfire, and, of course, it didn't help that Lucas managed to turn a stake winner, conjured up a stake winner with Warrior's Club.

Unbelievable.

We've got one over here, I think.

**Mr. Tom DiPasquale:** Steve, I'll be very quick because I know we're running late.

Tom DiPasquale from Minnesota Racing Commission.

It's been a wonderful panel and thank you.

The comment that was made about people who've never bet being the equivalent of people who've not used an iPhone.

I don't mean to paint with a broad brush, but there are many regulators sitting on commissions who have never placed a bet, are not fans of racing.

They try to do their best, but they don't have the knowledge base.

Your laundry list of reasons **[unintelligible 01:23:09]** put up here.

I do think that racing regulators have the ability not to over regulate.

**[unintelligible 01:23:17]** the associations that they license to make these kinds of improvements, whether it's through putting working groups together or having a larger fan voice, *et cetera*.

This is again — we're all in this together, and there's a tendency to regulators to promulgate rules, and **[unintelligible 01:23:33]** enforcement, and all that, but we need to also focus on fan experience.

I think we can work together with brass and ask for periodic reports, spend more time on the tracks with track management and fans, getting people's input, having monthly public meetings where anyone can show up and voice complaints and concerns.

I just want to urge regulators, we can continue to working with you.

Thanks to the panel.

**Mr. Steve Byk:** Thanks a lot, Tom. Good.

**Panelist:** Thanks for your remarks, too, Steve.

**Mr. Steve Byk:** Not at all.

My pleasure.

Thanks for coming', everybody.

**[Applause]**