



Race Track Industry Program

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**Turf Publicists of America: Reaching and Teaching
The Horseplayers of Tomorrow**

MODERATOR:

Bill Knauf, Assistant VP and Assistant GM, Thoroughbred Racing, Monmouth Park

SPEAKERS:

Joe Kristufek, Co-Owner, Horseplayernow.com

Walker McBride, Director of Digital Media and Sponsorships, Del Mar Thoroughbred Club

Mark Midland, Horseracingnation.com

Christopher Torina, President & CEO, The DeepStacks Group

Ms. Wendy Davis: My pleasure to once again introduce the Turf Publicists of America, Mark Kaufman Workshop. I have to say I'm a proud member of the Turf Publicists of America and as is Doug. We are really pleased that they've chosen to do a workshop. It's always a wonderful panel session. Thank you for all your patience while we got our furniture in order. Right now I'd like to turn it over to the moderator for this panel, president of the TPA, Bill Knauf.

Mr. Bill Knauf: Thanks, Wendy. A few housekeeping turf publicist items first. After this panel, we are gonna have a general membership meeting out in the lobby. For anybody who's here, please join us for that. We also had two vice-president slots up for reelection this year. I'd like to announce the winners are the incumbents, Dan Silver and Julie Sarno. We also have Dave Zenner who ran unopposed and will probably be there for another 25 years. Thank you, Dave. For today's panel, we are gonna have each panelist present their area. Then, after that, we're gonna leave plenty of time for discussion amongst the panel, and certainly a good enough time for Q & A with the audience. We want this to be an open forum. We'll leave probably half of the panel the time for it.

Today is reaching and teaching horseplayers of tomorrow. I think this is such a timeless topic in racing. We could probably do this panel every single year and it wouldn't get old. There's always something new out there. There's always something we want to learn. Today's topic really focuses on electronic, digital, and the new technologies that are out there.

Let me introduce the panel that we have up here today. To my left is Joe Kristufek who is the co-owner of horseplayernow.com and founder of the program Night School. Then we have Mark Midland who is the COO and co-founder of horseracingnation.com and

derbywars.com. We've got Chris Torina, the president and CEO of the Deep Stacks Group, an online poker tutorial website, as well as representing poker star Michael "The Grinder" Mizrachi. Then we have Walker McBride at the end, the director of digital media and sponsorships for the Del Mar Thoroughbred Club. I think we've got a great panel assembled here.

In racing, there are always questions. I know racing industry people have a tendency to always criticize the teaching. Why don't we always do more to teach our horseplayers? I know I've got a handful of questions. I always hear why isn't racing taking more advantage of the web? Why don't we copy tournaments like fantasy games do? Why isn't racing learning more from poker? Why aren't we copying them? Why don't the tracks do more to embrace technology? I think these guys have all the answers today, hopefully, or, if not, I think we've got a great panel to get some discussion going.

To start it off, I'm gonna turn it over to Joe to lead it off.

Mr. Joe Kristufek: Well, thank you Bill. It's my pleasure to be here. I'm very much honored to be able to speak on the panel with these gentlemen. Hopefully we can all learn something from each other today. As Bill mentioned, I am a copartner with Jeremy Plonk for horseplayernow.com. We do the Xpressbet race chats, which are chatting live during an actual race card where we can trade opinions with the people within the chat room. They can ask our advice, and what kind of handicap the race is, together. That's one of our primary objectives.

This year we introduced Night School, which is pure, stripped down fan education. For 19 years that I've been in this industry, fan education has been my passion. I think it's the single most important issue in horse racing to grow the fan base. People walk into the race track and they don't learn anything, and they walk back out of the race track. It's our job to cultivate and harvest those potential fans. Out of 50 people, you might only have 15 that are interested in really becoming a bigger race fan. We need to give them the tools. We need to give them the information. We need to hold their hands. Horse racing can be an intimidating game. When I get a chance to do my presentation in a little bit, I'll talk more about Night School, how it works, why I think it's important, and how I think it's a way for us to advance fan education in a low-cost way. I appreciate all of you being here today and showing your interest in fan education moving forward. Again, I appreciate the opportunity to be here.

Mr. Mark Midland: Again, welcome everybody. I just wanted to echo Joe's sentiments that fan education is near and dear to my heart. Somebody who been around racing, I guess for me it's 20 years now and most of it in marketing, I would say that fan education and creating engaged fans from newbies is sort of the unattainable Holy Grail of horserace marketing. I don't think it's ever been fully achieved. There are no silver bullets. It takes hard work and I think we're gonna talk about some different potential solutions, but I think they work in concert and it takes a lot of things to make that happen. It's a worthwhile endeavor. With technology, it's lowering the barriers, lowering the costs, making it easier and easier for us to do that.

Mr. Bill Knauf: Chris?

Mr. Christopher Torina: Well, I'm kinda the odd man out because I'm in an industry that really is not about horse racing per se, but it's all about money. What my company does is makes money. How we do that is through the conversion of a poker player to a real

consumer. There's a lot of skepticism in poker. There's a lot of skepticism among degenerate gamblers or categorized as degenerate gamblers, but there are a lot of similarities between poker players and horserace betters or even people that get educated and want to spend money. What I'm gonna be discussing today is how to take that poker player that is so skeptical to spend money outside or off the felt, and turn that person into a real consumer, and how to retain that person through the leverage of a poker pro, a very famous poker pro or poker pros, but more importantly, technology and really a concierge service where, when a poker player wants to learn, gamble, play on TV, or surf the internet, they go to one place. We'll be discussing that a little bit today.

Mr. Bill Knauf: Thanks.

Mr. Walker McBride: Walker from the Del Mar Racetrack. I really am gonna focus in on for the reaching and teaching. For reaching, two main elements: how Del Mar rebranded to actually continue to raise the bar for reaching and increasing our attendance and getting more newcomers and first timers to horse racing. Secondly within reaching, I'm also gonna concentrate and try to hit on kind of new to us and new to everyone the digital space and, specifically, mobility and how we've harnessed that this past season, and what we see in the future to come, not only with our racetrack, but what I hope is going to be every racetrack, and just express that the cost of not doing it far outweighs the cost of doing it. As far as teaching, it's gonna be purely experimentation. I have a slide up there that says whether to tinker or to tackle. We need to tackle it. These guys are doin' a wonderful job right now of getting online with free product, free informational products, and that's what we need to do. We need to do that — a better job of following their suit, from a racetrack standpoint as well. With that —

Mr. Bill Knauf: Start off Joe.

Mr. Joe Kristufek: Okay, I'm gonna walk up to the podium now, and deliver this PowerPoint presentation, and show you guys a little bit more about Night School, what it's all about and how we produce the shows, why we think they're important. Walking a tightrope here. We don't want to be on *Tosh.O* with a little accident. Alright. Hold on. Alright, I'm the first one using this clicker. Am I good to go here? There we go. Alright, so I'm gonna fly through this.

We've delivered some handouts. It explained Night School. We've also delivered a handout that gives you an example of one of the study materials that we make available through the class. The study material — I should probably be using this microphone, no? Does it matter? Okay. One of the study materials that we use, which was our class on Morning Line, we have an example of that as well. Let's fly through this.

Again, Night School is powered by Horse Player Now. We originally came up with the Night School logo, and we add a little horsey to it for the following seasons moving forward so people understand that Night School means horse racing. Again, Horse Player Now is a website that I'm involved in.

Okay, so important for fan education, we've covered some of these things, focus on converting newcomers and casuals into dedicated fans. It's one thing to have a concert and bring people out to the racetrack, and expose them to the racetrack environment. It's another thing to bring people to the races and teach them something, which is what I said before. You need to find a way to educate these people, because with knowledge comes interest. With interest comes confidence. With confidence comes wagering. This game is driven by handle. Focus on converting newcomers and casuals into dedicated fans that will

follow the sport after they leave the racetrack.

Horse racing can be intimidating, looking at a track program, looking at all the information. People get intimidated by that so we need to teach them how to utilize the tools and how to formulate their own opinions. This is a game of egos. This is a game of opinions. When you're right, you feel good to cash a ticket. You wanna come back for more, okay?

Interactive, friendly, hands-on education is the key. A lot of racetracks don't have the ability to dedicate a lot of time, or energy, or manpower into fan education. That's kinda where we come in. Like I said before, with knowledge comes interest. With interest comes confidence. With confidence comes wagering. Anyone can go to the racetrack and bet their favorite name, their favorite color. That's luck. When you understand the game and you can figure out the puzzle that is horse racing that we all love so much, it's much more gratifying.

Okay, so I'm gonna play this video. Do I just hit the button in the middle, or how do I do this? Okay. That didn't work. Let me try this. Nope. Willie, can you help me? Nope, okay. The video was a Night School commercial. It's not critical to this presentation so we won't worry about it. We'll move on.

Night School is free to all participants. It's driven by the industry. It's driven by entities like the NTRA, and Churchill Downs, and the AQHA, and Keeneland, and the Daily Racing Form, and a bunch of different racetracks. We'll talk more about that later. It's driven by the entities because we wanna make this available for free to the fans. We don't want them to have to sign up for something, have to pay for something. We should be teaching these people. We're gonna get paid back in their additional handle from them learning so it's free to everybody.

Ninety minutes every week we have a panelist discussion, we have a Q and A, and then we have a jump-all at the end where you can talk about anything. Again, this is an online chat. Noted host and panelist, myself and Jeremy Plonk have a pretty good reputation within the industry with people. Caton Bredar is one of our hosts as well along with Jill Byrne from Churchill Downs. We bring in panelists from all over the racing industry, depending on what our topic is. We'll talk more about that a little bit later as well. Question and answer session with the fans. Fans love to participate. They love to give their opinions. They love to ask questions, and they love to have those questions answered. Once again, it's interactive, which I think is very important in fan education.

We do multi-media presentations, videos, handicapping materials. We film videos. We talk about the topics. We also bring in other people from the industry and we film their opinions on the topics as well as the study materials of which I gave an example of earlier.

This is an example of the Horse Player Now Night School page. You'll see on the left where we have the actual chat. Above that is where the video goes in that people want to watch it early. We have an explanation of what Night School is. To my left and your right, you'll see where the study materials are housed for each and every session that we do.

Next we see Turfway Park. Night School is housed on 31 industry websites, Turfway Park being one of our partners through the relationship with the NTRA. This is the page that they built. It gives racetracks an opportunity to build a fan education page around Night School. I think Turfway Park has done one of the best jobs with this. They made the page look good. They linked to all the study materials. They show all the different topics. Again, we give the I-frame code. It's as easy as the racetrack or the racing entity just putting it on

their page. Boom, there's the cover live frame code in the Night School format. Then you see the study materials on the left side.

Alright, 40 lessons, we did 40 Night Schools this year. You might say how did you come up with 40 topics for horse racing? Well, we probably could have come up with over 100, quite honestly. There are so many different elements to handicapping. There are so many different elements to this game in general that we had no problem coming up with 40 of them. Some of them are more well-received than others. People seem to like the handicapping aspect of the game and want to learn more about that. We do do topics on other areas of the game as well.

This creates an educational library. If you miss the Night School on turf handicapping and you want to learn more about it, there is a way for you to go back and read the entire Night School session on turf handicapping. What it does is it creates an educational library that lives on forever. People can go back and read these materials and learn about each and every topic that we've done. Those topics are easy to access through the completed events tab on the Night School format, which I'll show you here. You'll see that on the left — my right hand side, on your left hand side it says completed events with the date, the topic. All people have to do is click on that and, boom, they can access the entire Night School from top to bottom, and learn all about the topic they may have missed. A lot of people like to visit live on Monday nights. Some people can't make it Monday nights. There's somethin' called Monday night football. People like to watch that as well. We understand that the archives are also gonna be an important aspect of this.

How is Night School funded? I mentioned this earlier. We have several presenting title sponsors — AQHA, Keeneland, The Daily Racing Form, NTRA, of course Horse Player Now is my website. We've just received word in the last couple of days that Churchill's very interested in joining this conglomerate as a presenting sponsor as well. We're very proud of that.

Presenting title sponsors, we also have track and industry sponsorship. If a racetrack isn't part of the NTRA, they have to pay to simulcast Night School separately. We also have several entities that run commercials. NTRA, AQHA tracks and facilities receive the simulcast rights to Night School for free. If you're a member of the NTRA or you're a member of the AQHA, it's a perk for you to receive Night School on your website for free. NTRA has done a tremendous job helping us promote the Night School through their different vehicles.

Okay, one of the toughest things in horse racing — and I dealt with this three or four years ago when I did *Horsin' Around TV* on Fox Sports Night on Comcast in Chicago — is getting everybody together. Jenny Reeves puts it perfectly here: Night School is one of the best things going. It's my pleasant surprise. It was embraced by the industry, where many entities feel if they didn't come up with the idea then it can't be good. We want Horse Player Now and Night School to serve as a vehicle to serve for the entire industry for fan education. We're all in this together. Fan education is a common goal amongst everyone that is involved in horse racing, whether it be the tracks, whether it be horse racing websites. Everyone wants to grow the fan base. That raises the bar. It gives the pool of racing fans an opportunity to grow, and then we obviously increase handle through increased fanship.

Alright, we want to do the work for you, so Horse Player Now provides customized ads. We provide a color poster template. We provide a customized video promo to your racetrack, a customized 30 second commercial, a topical video on the topic, and also study materials via

the PDF. All the racetrack has to do is promote fan education. There's no extra work for them. The Night School is embedded on the website. We give you a commercial. We give you a program ad. There's no additional work for the marketing departments or the promotional departments, with the exception of making sure that Night School goes on the page, making sure that the program ad is in the program, making sure that you run the program, the commercial, and then talking about it, getting your fans to go to the Night School page to increase their knowledge on horse racing. There is an example of a program ad that we do. You'll see myself, Jeremy Plonk, Caton Bredar, Jill Byrne. It gives the information. This one happened to be done for Canterbury Park. Like I said, we customize them. It says visit Canterburypark.com for details. It gives the time regionally. Canterbury is Central Time so it's 7:30 p.m. every week. It's free every week through December 19th. We're on week 39 of 40 next Monday.

Alright, this is the commercial that I was going to show you guys earlier that didn't play. Again, this is on our YouTube page. It's provided to all racetracks and everyone that simulcasts Night School so you can play this commercial on track and get people interested in participating in the program.

Here is an example of our study materials. Again, I passed those out to everyone earlier. You can kind of take a look at what we provide every week. We provide key terms. We provide a lesson overview. We provide handicappers perspectives. We give general, basic information and more advanced information as well. One of the greatest challenges is finding the balance between the newcomer and the expert, and making something in Night School something that everyone will be interested in and something that everybody can learn from.

Okay, hosted again by myself, Jeremy, and Caton. Jill Byrne participates usually every other week or so. We've had a very, very good assemblage of guest panelists from Graham Motion to Karen McLaughlin, Tom Amoss, Kenny McPeek, Jerry Bailey, Gary Stevens, handicappers like Steven Crist. I can say — and I'm very proud of this and I'm very happy that the industry participates in this way — almost everyone that we've asked to be a panelist, and it is unpaid, they're dedicating their time, they want to do it. They're encouraged by fan education. They want to give back to the industry. They give us an hour and a half of their time in order to participate in the chat. It's great when people that are fans can communicate directly with a Jerry Bailey, or a Gary Stevens, or a Ken McPeek and ask them questions directly. It's been a very important aspect to what we're doing.

This is our Wall of Fame. It hasn't been updated since June. It's probably three times as big as it is now. It kind of shows the different people that have participated. We've had people from HRTV on, TVG, racing writers, handicappers from all over the industry. Hopefully by this time next year, if you haven't been a Night School panelist, then you'll want to in the future because I know people are very enthused about it. They enjoy participating in it and they really get something out of it as well.

Alright, we're on 31 websites currently. Obviously we'd like to grow that. We'd like to have it expand to as many websites as possible. I think that every racetrack should be involved in this in some way, shape, or form. Like I said, we do the work for you. It's very easy to put the I-frame code on your website and we give you all the information you need. You just kinda have to disseminate it.

Alright, so here's some statistics. Weekly attendance, over 1,200. Those are live attendees, live participants. Through week 37, over 33,000. Archive participants — and this is based on Google Analytic stats — 181,000 people. That's showing you that a lot of

people are going back and reading the archives. It's a library of horse racing information that never goes away. We're very proud of our attendance. We think we can obviously grow that with more participation throughout the industry and more promotion as well.

Here are the ages of our people. Now, you'll see under 20 is the lowest. The highest is between 40 and 49. Now this is not a bad thing. The people in the age group between 40 and 49 are the people that are going to bet. They have discernible income. They've been working in the workforce for however many years. They want to learn more about horse racing. Horse racing is a hobby. It's a form of entertainment. Sure, you have your big gamblers that have extra money to spend, but this is a good target audience because these are people that are interested in expanding their knowledge. That gives you an idea of kind of where we're at. Also, there's people over 60 that understand how to use the computer. We've seen more and more of that over the years. That might be a false thing that people didn't believe was possible, but we do have a lot of people that are a little bit older. We have younger people. We have a pretty good demographic overall.

Types of participants — you see the newbies gaining interest, weekend players, long-time fans, and everyday players. One of the things about Night School is sometimes it's a little bit over the head of the real newcomer, somebody that doesn't understand the game. Everyone that participates in the class is going to get something out of it. I learn from other panelists in the room. Next year we're planning on adding to the schedule to dedicate some more weeks of this to the absolute newcomer, teaching them terminology, teaching them basic wagering, 'cause like I said, this program relates a little bit more to the intermediate player, to the gaining interest player, and you can kinda see what kind of people have been participating.

Again, the age of the newbies, the age of the absolute newcomers — again, that age of 40 to 49 is the highest one, 31 percent. You're seeing a lot of people in that age bracket that wanna learn more about horse racing because it's becoming a bigger hobby for them.

We've got hundreds of complimentary emails. I can say doing this and being passionate about fan education and horse racing, it feels really good when you get some of the people sending you emails about how much they've learned, how much you've advanced their handicapping, how much you've advanced their knowledge and their interest in the sport. You'll see a couple of the Night Schoolers here talking about how much they've enjoyed the program. Like I said, we've gotten hundreds of these. That makes us very proud. That's what our goal is, is to have these people enjoy what we're doing, learn something from it, and increase their fanship.

Alright, so another thing that we do is we do a lot of hands-on fan education. Last two years we've done a attempt at the Preakness. The first year was kind of a small attempt. This year we did a bigger attempt. We increased handle by 11 percent. It's hands-on fan education. It's us out there with a white board. It's us holding people's hands, walking up to the betting windows. It's us giving advice on how the best way to play the races is. There's not enough of this at the tracks. When you have a big event, that's when you're gonna have people there that you wanna teach. That's what we did for Preakness. Right after we finished the event in 2011, they were already making plans to expand the tent in 2012. We've got a lot of good things going on with hands-on fan education. Fan education needs to be hands-on. People can read stuff, but it's not nearly as important or not nearly as helpful as when somebody is helping them in person.

Here's some of the photos that we have. Once again, we'll just bang through these. Love at the Preakness, okay. Enjoying — everyone goes there to enjoy the races, but they have

a lot more fun when they understand what they're doing and you show them the correct way to bet.

Alright, so also I do a lot of fan education at Arlington Park myself. We do two and a half hours of informal fan education seminars on the apron. I'm out there with a microphone. I get people's attention. I have a white board. I give program lessons. I teach them simple ways to wager because the biggest problem in horse racing with fans betting for the first time is they bet one horse to win, they bet another horse to place, and they bet another horse to show. They don't know any better. Teach them ways to wager where they can have some success, they can make a little money, and they can potentially have fun and wanna come back again. That's the key to all this is getting people to understand and getting people to have some success based on the theories that you teach them.

Again, I do this with groups at Arlington as well. If they book a party in the tents or in the suites, I'm there hands-on to answer questions. I do paddock tours. I bring them down to the rail to watch a race, and so on, and so forth. This stuff is invaluable. When people understand more about racing, and they understand how fascinating it is, and that light bulb goes on, it's a whole different world that you've opened up to them. That's how we grow the fan base.

Brian Spencer and I, who's my right hand man who works for me at Arlington for Horse Player Now, we did 300 hours of combined hands-on fan education the past three years. Again, there's no substitute for that. Working with groups, being personal with these people, follow-up contact, and I take my hat off to Arlington for allowing us to do this because it's a perfect playground for new fans there. You do have a lot of people that need to be educated, and need to learn more, and that want to learn more.

Alright, we do a YouTube page where we've got fan education on there — 11,000 views, 67,000 upload views, Night School views over 214,000. We just launched this 11 months ago and it has examples of me teaching people in the paddock and teaching people hands-on. Those videos seem to be the ones that people watch the most. Again, another method and means to do fan education for free. There's an example of me pointing at something.

[Laughter]

Mr. Joe Kristufek: People are engaged, so that's good. Alright. There's our goals for 2012, as I wrap this up. We wanna continue the Night School season for 40 weeks. We have a lot of fresh topics. We've gotten a lot of suggestions from people that are in the classes. We have a lot of our own ideas as to how we wanna move forward with this. We also revisit a lot of the popular ones as well. We can bring in different panelists. We can bring in different people that have different ideas about that particular topic. It's not gonna be like a rerun, per se. You always have different vantage points in this game.

We wanna offer ten fan education sessions for new to intermediate fans called Newbie Tuesdays. Play on words, but again, teaching them terms, teaching them basic wagering strategies, teaching them from the ground level up. Like I said before, Night School can be just a little bit over their heads, so we wanna give them an opportunity to learn at their pace and at their level. There's our logo.

We wanna continue to do learn and apply big event seminars, which we do usually on a Thursday or Friday night. We did Night School camps for Breeders' Cup four different nights leading up to the Breeders' Cup. Very well received with different panelists every week talking about the actual races, using what we learned in Night School, applying that to

actual past performances. Night School racetracks that are involved, we'll talk about your races. We want to utilize the information that we learned and make it practical by using past performances and talking about stakes, and then educate a night school fan education tour setting up Preakness-style 101 tents at various venues concurrent with these horse racing major events: the Haskell of Monmouth, the Woodbine Mile, the Arlington Million, Florida Derby events where people that don't normally come to the track or only come to the track periodically are going to come. That's our target audience. We wanna turn those people into regular fans. We're giddy about doing some sort of a tour that models what we do at Preakness every year.

Again, if my message hasn't gotten across, we are dedicated to fan education. During the course of the next couple days, if you'd like to discuss that with me further, you'd like to discuss Night School, its merits, some of the other things that we're doing, my cell phone number is on the handouts that we gave out and I'd love to talk to you about fan education. People have talked to me about fan education regularly, get tired of it because I talk about it ad nauseam 'cause I'm very, very passionate about it. Thanks for your time, everybody. I'm gonna pass it along to our — thank you. I'm gonna pass this along to Mark and he's gonna continue on where I left off.

Mr. Mark Midland: Thanks Joe. That was fantastic. Really love what Horse Player Now is doing and I think Jenny Reeves had it right where it's just spectacular to see the industry come behind what you're doing and come together. Surprising too, but it's fantastic. Waiting for the next deck to come up.

I'll explain a little bit my background. I'm Mark Midland. I'm COO and cofounder of — we're calling Horse Racing Labs our parent company. We've got two websites right now: horseracingnation.com, which was launched in April of 2009, so it's two and a half years old, and derbywars.com, which was launched in October, this fall. There we go. Just to kind of give you a little background, I've been in horse racing for 20 years and I've spent pretty much all my career in the front side of race tracks in marketing. There's just not enough innovation and technology going on. After I left YouBet a couple years ago, had an opportunity to found this company and really kind of leverage technology and horse racing, and see the opportunities, and see what we could do. It's a very exciting space to be in.

Horse Racing Labs, we focus on technology, and social, and interactive platforms. With these three projects — I mentioned the first two projects. Race Tabs is something we're working in partnership with Marc Attenberg who is formerly from the Racing Form. That's gonna be a 2012 project. These three represent over \$1.5 million in technology capital investment. We're out there taking risks, innovating, doing things in horse racing technology space. We're excited about it. We're excited about the potential.

I mentioned earlier, I mean it's kind of like the Holy Grail, right? How do we create more avid racing fans? For me it comes down to I think there's a huge learning curve for horse racing and I think it's really the first two things. It's almost like 50 percent of it is how to handicap, how do I pick a horse? The other half of it is how to bet. What am I gonna do here? How do I go to the window? I think for today's purpose, we're talkin' about where do I go to learn more? That's Horse Racing Nation.

Horse Racing Nation is a wikifan site. Like I said, it's two and a half years ago that we launched. This year we're on track to go over 2.7 million visits. We're extremely proud of that. We've got a great growth curve and a lot of new people coming into the site. What is Horse Racing Nation? Well, it's about being a fan. It's about the biggest stars of racing, stars of yesteryear, current stars, who's gonna be the derby winner? Who's gonna win the

Florida Derby? Who are the stars of tomorrow and why? Who's running where? Are they gonna win? Do they have the right fit? Let's talk about it. It's all about interaction.

We're also very fortunate to have a large audience of beginners. Because we're focusing on love of horses and being fans of horses, we're getting just great waves of younger people into the site. They wanna get more involved in racing. Through our interactions with them, we've discovered they're very eager and willing to learn more. It's exciting and it's exciting to give people this stage of education where they're wanting to consume more and more and learn more and more.

What we do is we create an interactive and social platform, and let fans engage with each other. Through that engagement, they start interacting and educating each other. We try to make it as seamless as possible. Every one of our pages you can comment on. If you're logged on through Facebook, you hit Horse Racing Nation, everything is integrated with Facebook so you don't have to sign up. You don't have to log in. You just start typing, hit submit, and your comment's generated. This is comment that somebody put in from their Facebook profile. It also will post back to their Facebook wall if they give permission to do so. Really it's about a seamless interaction and making it easy.

There's a lot of talk about racing stars. Here's somebody's making a comment about Mucho Macho Man and where he might race next. I don't know if you can see that, but Dead Heat was saying, "Hey, he's got a great profile for Gulfstream. He's got a speed horse." Actually Dead Heat is one of our bloggers. She's a 20 year old sophomore in college on the East Coast and she's been — her name's Laura Pew, a great rider, and I think she's gonna be a superstar. She's been riding horses for ten years, and only gotten into racing in the last couple years, and asked us if she could blog. Our managing editor, Brian Zipse — who's a blogger for Zipse at the Track is the title of his blog — has done a great job. He's recruited over two dozen bloggers that are blogging a couple times a week on Horse Racing Nation.

Then connecting with other fans — this is an example of play of the day. Somebody says, okay, here's a horse at ten to one that can win at Sunland. Here's a little reason why. Then they get on, and they banter back and forth about why the horse can win or how much speed there is in the race. Sometimes newbies will get in here and they'll ask questions. More often than not, some a little more seasoned people will go back and forth. The thing is the newbies are lurking. The newbies are sitting here to see if this handicapper knows what he's talking about. They're checking the race. They're checking the charts. They're learning through that process. It's all about engagement and then the learning that comes from that engagement.

A little bit about the site. I just wanna flip through some screen shots of the site. There's definitely a news component. This is the home page. Essentially it's all about interacting around the news, the horses, the races, the handicapping tips and opinions. We also have power rankings. I'm gonna get into that a little later. We have an undefeated watch. Who's gonna be the next superstar? Plays of the day — anybody can put in their own play. We have some experts that put in plays, but anybody can put a play in and put it up for criticism. Here's our Breeders' Cup Classic page. There's results pages and YouTube videos.

I should say this is, being a wikisite, this is all community generated data. Is it 100 percent correct? Well, not quite, but somebody puts Game on Dude winning the Breeders' Cup, then somebody else changes it back half an hour later. It's a lot of great information and we have over 100,000 horse profile pages like this one here you see for Havre de Grace. That's where we're getting a lot of traffic. People are coming in. There's a lot of

information here. Again, everything you can comment on. It's all interactive. You can pop up a YouTube and, in a second, you have the YouTube playing of any race that you want. It's certainly upgraded stakes and things like that.

I wanted to call attention to the interactive portion. From Havre de Grace we have, at the top there, you can say I'm a fan of this horse. You can thumbs up. You can also say, "Hey, she's one of my favorites." You get five favorites for horses, people — five favorite racetracks and five favorite races of all time, mine being the '94 Travers with Holy Bull. You can rank the horses one to ten stars. What that does is it generates rankings and it generates more activity.

Through those rankings, here we have our 2012 derby contender's page. It's already up. It's already active. It's all database driven so our derby contender page literally goes into the thousands. This is a ranking of every two year old male in the database as voted by the fans. What's awesome about it is it's updated every 30 minutes. Every time more votes are coming in, votes updated, and then, on the far right, those are comments from the fans. The fans get the opportunity to kind of chime in on why horses are where they are and why they're gonna be superstars.

From that data, we can also do divisions. We have the top thoroughbreds of all time. We have the top females of all time. People go back and forth about Rachel, Zenyatta, and Ruffian. It's fun, and it's engaging, and it's exciting.

That's kind of Horse Racing Nation. I mean that was, like I said, it's been out for two and a half years. I believe it's one of the fastest growing sites in horse racing. We're doing over 100,000 active unique visitors every month. About this time last year we said okay, we're really excited about where Horse Racing Nation's going. It's an advertising business model. It takes time to grow and it's been growing nicely, but what can we add to it? What's the next step? We started to look at handicapping contests. We thought handicapping contests are a great tool growing in popularity with what the NTRA has done. We saw it as a growing online space.

We came up with the concept for Derby Wars. When we said look at the online contest space, we said, well, contests are fun, but they're not interactive. They're not a game. They're not exciting from the standpoint of interactivity. It's kind of like first race, okay, I pick the seven horse, and I come back ten minutes later, see if it won and where I rank on the leaderboard. For those of you who aren't familiar with contests, it's just most of 'em are very simple eight or ten race contests. You pick one horse and it's \$2.00 to win and place, meaning it's a mythical bet. If your horse wins, you get a certain amount of points, places, or runs off the board.

Our goal was, we said let's make this social. Let's make this interactive. Let's do something we would find on Facebook. Let's do something that you would find on the iTunes store, somethin' that has an intuitive look and feel. We went out and we said let's take the best practices from online poker, fantasy football, and horse racing, blend it all in one. What we came up with was Derby Wars.

It's got all kinds of social hooks in here. One of my favorite, and from a fan education standpoint is you can actually see your friends' picks pre-race. If you are in the game and you become friends with people in the game, you can see their pick and they can see yours before the race goes off. For some of the core players, it's kind of like they're like, "What? That doesn't make any sense." You think about the newbies, and so you think about five people go out to the track on Saturday, and you have a good time, and you've got that new

person that's tryin' to learn. You're their crutch. You're telling them and helping them. Well, then they have a good time and they want to come back on Sunday. Well, you're all not gonna go back to the track on Sunday but, in a game like this, if you're on board and they're on board, they can see your picks. Like I can see Joe's picks, wow. I don't have to feel stupid. I've got a shot here. I can win. I think that's really huge. There's easy invite tools. You can invite people with Facebook. You can invite 'em within the game, through email, and you can become friends with anybody in the game.

As we went through our beta testing for Derby Wars, there were a couple a-ha moments. One of 'em was we started beta testing this with our Horse Racing Nation audience because we thought although Derby Wars was built for the core horseplayer, we're like man, those guys are picky. They're gonna be critical. If we don't get this right, they're gonna jump all over us. We said let's go with a little bit of the lighter fans of Horse Racing Nation and let's see what they say. Amazingly, they really took to the site, to the point that we were really surprised. We wanted to create a core game that had some of these Facebook-like opportunities. The newbies really took to the game. I think one of the things that really helps is the tournament structure. When I go back to saying the two big learning curves are how to handicap and how to bet, in a contest, you don't have to know how to bet. You don't have to know a trifecta wheel or to go the window. It's just pick a horse.

Here's the game board of Derby Wars. I wish I could show it to you live, but I would encourage anybody to check it out on derbywars.com. There's games going on right now. People are playing for points to win points. The way this works, in the bottom left there's game chat that's going on all the time. Below that you have friends. You can private message with your friends. The blue bar at the bottom you can invite friends. It's simply you just check a horse for each race. In the middle of the screen you'll see your friends' picks.

Everything is automatic. As the game's going on, there's countdown clocks for each race. It counts down to the second. There's pop-up reminders. When the results come in, the leaderboard pops automatically. Everything kinda happens automatically. The bottom right is the leaderboard. Everybody has an avatar so you can mouse over and kind of invite people to be friends. Then, at the top right is your picks and your payouts. There is kind of where you would see our friends' picks. Then, there's just popped in —

One of the things that we're doing that's interesting is, as the race closes—we tend to close the race in about one minute to post of the actual post time. As the race closes, we'll go ahead and show who the top ten leaders on the leaderboard, who they picked. Again, if I'm between the three and the four horse and I'm not sure — and I'm a newbie — it's like, well, the picks come up and, wow, the guy in second place picked the four horse. That was the same horse as me. I'm not stupid. I know a little bit of what I'm doing here. There's a lot of confidence boosters. There's safety in numbers. Here's an example of those picks.

Then we also have a chart. Again, before the race is even run, you can see the proportion of who picked what horse. This is something that's new in tournaments. Not only do I have the horse that I'm rooting for, but I have the horses that I'm rooting against. I know kind of what to expect. It's a little bit like the hole card in poker. I think it adds a different element that really hasn't been there before. It's easy in a sense you don't have to bet. You're just picking horses. You're also really never out of it in a tournament. If you're talking about five, eight, or ten races, you're over usually an hour to an hour and a half of — one longshot could vault you right into the top ten at any time.

The other thing that really struck us when we started getting to Derby Wars is the core

players really took to playing for points and playing for fun. I should probably explain that these are contests. There's play for money contests and there's also play for points contests. We do the play for points contests as initiation and for people to kind of get used to the game. You put up 100 points and maybe win 5,000. Eventually the points will get you maybe entry into a small prize contest. We kinda just, like I said, did that as an introductory thing.

As we started putting up these points games for 100 and 200 people, we started seeing our core players — people that might bet \$500.00 a day at the racetrack — all jumping in. We're like okay, this is strange. We might be onto something here. We're really gonna try to take that, and run with it, and see where it goes. What is this slide here?

With Horse Racing Nation, it starts to present a spectrum of taking people from beginners, from that engagement of getting them — I look at the contests as almost like practice or a precursor to real wagering, being at the track or at the ADW. With Derby Wars, where we want to go with it is we've got a mobile version coming out later this month. Then in January, we're gonna have a Facebook version and a track website version so we can work with partner tracks. It'd be all for play for points and entertainment, maybe some seats or prizes. The idea is just to generate that engagement.

A lot of racetrack websites are very good websites. You go and get a little bit of information, and you get your entries and results, and then you leave. You don't have that engagement. What we're feeling like is a game like this could provide that, capture that experience, keep people on your site, keep 'em there and capture the names, market to 'em, and keep 'em around.

When we look at what other industries have done, Zynga Poker has millions of people playing poker for points, for fun. We think it's an opportunity. I mean there's a lot of comparisons to horse racing. Certainly they've done a lot of fantastic things to get to the point that they're at. We think that there's a lot of opportunity there.

Really, we're trying to use — to kind of sum it up — is technology, and innovation to explore new frontiers with horse racing, get people engaged, move 'em along the engagement path and try to create more fans in racing. We're really excited about it and excited where the future can go.

Unidentified Male: Nice.

Mr. Bill Knauf: Thanks Mark. Thank you to Joe too, as well. Those are both great. Chris, why don't you show us the poker world?

Mr. Christopher Torina: I wish I started Derby Wars. I'm in the wrong business. I don't do the stage thing, so I kinda gotta walk around. You have the PowerPoint — the clicker? Can you go to the PowerPoint before we go to the web? I'll talk while they are fixing up the technical difficulties.

My name is Chris Torina. In 2003, I turned on ESPN and saw pretty much the most amazing thing that I had ever seen. It was an accountant from Tennessee who was 33 at the time turn around and win \$2.5 million. At the time, I was a narcotics detective in Florida. I was on SWAT. I had nothin' to do with poker. I wanted nothing to do with gambling. I was all about just working, making a paycheck, getting my pension, retiring, and probably dropping dead five years later. It was the best thing that ever happened. It was, at the same time, kind of a — I don't know — renovation of my life because, two

weeks later, I'm in the poker room at a pari-mutuel in Daytona Beach, Florida watching greyhounds running around a track. I'm like there is no effing way I'm playing poker while a dog is taking a crap on the track. There is no way.

What ended up happening from there was I started playing at horse tracks: Gulfstream, Calder, those types of places, Harrington Raceway and Casino in Delaware, those type of places. What ended up happening was I started slowly just falling in love with the game and falling in love with the fact there was real people winning real money. In turn, in 2007 at the Mirage, I started Deep Stacks.

I had an idea during a poker tournament when I'm sitting around playing for \$186,000.00, and I'm like I think I'm gonna start this company and really try to monetize training and education. A lot of what Mark, and Joe, and I'm sure Walker are gonna be talking, or talked about is really in line with what we do what the trend in poker is happening.

At the end of the day, I was, at the time, teaching cops how to be cops. In law enforcement, everyone has an ego. I found, pretty much in poker, everyone has an ego. Who's the best? I know more than you. I would assume that there are a sect of people in horse racing that think they're the better breeder, the better trainer, or the better track. There's a lot of, again, synergy amongst the industries. I figure if I could teach cops how to be cops, there is absolutely no problem teaching poker players how to really know the game.

In 2007 I started the business. A year later I left my job, and left a pension and everything. It's been four years in April. At the end of the day, it's all about how do you extract that number or that dollar from a poker player, 'cause they're the biggest cynics. They're skeptical about everything you tell 'em, and they've probably been stolen from or cheated at some point during the course of their life. I felt that if we could educate players — can you get the PowerPoint back up?

Christopher Torina: Okay. Gotcha. If you have a well-educated customer, you basically have a customer for life. In poker, that is the bread and butter and the staple of our industry. What I ended up doing was, instead of sitting here with a PowerPoint, teaching people how to teach, I brought very famous players into people's backyards. I started to leverage where I became a B to C customer, pulling the money from the actual consumer, the poker player, and charging them \$500.00. We ended up saying screw that. We're gonna be a B to B business, go right to the casino — or, in this case, a track — and go I'm gonna bring this player in here. I'm gonna bring this type of event in here, and you're gonna pay me \$50,000.00 for the weekend. Lo and behold, they bought into it. It took some massaging and some blackmailing, but it ended up happening. The point is we created an experience.

Earlier this year I was contacted by the Breeders' Cup and they said, "You represent Michael 'The Grinder' Mizrahi. He's one of the most famous players in the world." 2010 at the World Series of Poker — which is basically the national championship of poker in our industry — he won \$4.5 million in about 2 and a half weeks. He was on ESPN pretty much every minute of every poker telecast. They said, "Listen, we find that there are a ton of similarities between horse racing and poker."

I thought it was perfect timing because, in April of this year, the DOJ came in and said, "Guess what, US citizens, you cannot play on Full Tilt anymore. You cannot play on Poker Stars. Oh, by the way, everyone that plays on Ultimate Bet, go home." That left probably \$440 million online of people's money. More importantly, that left a poker player in exile,

someone that is so normally used to playing online that don't want to go to the casino, doesn't want to go to the casino and look someone face-to-face, that likes to have 15 tables up there, that love to be online. That player had nowhere to go, okay?

Breeders' Cup contacted us and go, "We wanna do a deal. We wanna take that exiled poker player, and make that person a horse better. How do we take that money and put it into our industry?" In turn, we ended up doing the deal. There were a lot of similarities going back to having a very famous player being the spokesperson, but now we're starting to extract that money from poker and bringing it to horseracing.

That's kind of the reason why Bill, and Dave, and the rest of the panel asked me to be here was to not educate anyone here or sell anybody anything. It's just to give you a heads up. Because in our industry, it's all about who's got the better product. Who has the biggest, baddest casino? Who's givin' hotel rooms away? Who's giving show tickets away? In Las Vegas, there is not one — it's the most cutthroat place on the planet, in my opinion. On a poker level, within the industry, it's even worse. We've had to reinvent our business.

What we're gonna be discussing today is a little bit about Deep Stacks. We are the number one live event poker company in the world. All that means is we're good at what we're doing, but we also — going back to the B to B thing — we also allow the casino to use us to bring that player from their home into their poker room. If someone's playing poker — like if someone's at the track and they're buying a beer, they're putting a bet down on a horse. Same thing with poker. If you're sitting down to play \$100.00 buy-in tournament, and you bust, and you're really frustrated, most likely you're throwin' dice or you're tryin' to get even at the blackjack table so you don't have to hear it from your wife or you don't have to sleep in the garage and things like that. We've identified that.

Going back to the symmetry between horse racing and poker, if you can figure out a way to extract that person's money and to give them a product that they just cannot say no to, you have the winning recipe. If you can bring them to somewhere like a track, you own that person because you can sell them anything. It's just figuring out how to bring that person to wherever it is you want them to go or to have them spend money on whatever it is you want them to spend money on.

We ended up doing was we created multiple products within my company. Deep Stacks is four brands. Deep Stacks University is our online training center — and I'll spare you the screenshots 'cause I really didn't have time to do it. I'm gonna show you in a minute our technology that I think would be very relevant to what a lot of you are probably tryin' to do.

Deep Stacks University is our interactive online training component. That's kind of how the business started. We wanted to give people convenience and comfort to sit at home and learn from the pros. Then, in turn, we started Deep Stacks Live, which was bringing the pros into people's backyards. Then, just recently, earlier this year, we started Deep Stacks Poker Tour. Where that ended up coming into was the launch of a TV show.

In turn, we created this concierge service of poker. You wanna learn online? We gotcha. You wanna learn at a casino? We got that too. If you want to test your skills against the pros in a tournament where you can win \$2-300,000.00? We got ya covered. What was missing was how do we bring all of that together and how do we really monetize someone sitting at home in their underwear that wants to play online but can't anymore.

What we ended up starting was Deep Stacks 360. We're gonna go to this in a moment, 'cause I showed this to Pete Rotondo, VP of entertainment and television over at Breeders'

Cup. He looked at me like you gotta show this to me later. This is really hot. I've showed this technology to Floyd Mayweather, 50 Cent, Jay-Z. The ability that we have with this camera gives us the edge over anyone in our market, anyone in our industry. We feel that this technology where you can monetize someone in a kind of a pay-per-view setting but also kind of leverage it with sponsors, i.e. Twinspires, or maybe Jockey Club, or even Derby Wars. Giving someone the ability to log on and stare at something for 13, 14 minutes, but also have them realize that they're not staring at it. It's just subtly in the background. That's what this technology allows us to do.

Before we go into that, I was asked basically, well, what works? How do you do what you do? What we do, it's kind of a spin wheel of things. We do national press relations, email insertions, creation of marketing materials where we just do guerilla marketing, boots on the ground, on-site, and then in competitors' locations, but more importantly, social media promotions.

I don't know how many of you in here play poker, but in 2009 I spent \$150,000.00 in print ads. I basically pissed money down the toilet. I told myself after I spent the \$10,000.00 in a full-page ad for my LA camp, I said that's the last time I spend a nickel in magazines.

What I did was I turned my focus on social media. What ended up happening was the response for a fraction of the cost, if any cost at all, was just resounding. We leveraged our pros accounts. We leveraged our casinos — out count, their counts in saying you already paid us 50, 60,000 to do this event. Do you wanna make that money back and then make profit? They said, "Yes. How do we do that?" You give us your database and you give us your social media account — Twitter, Facebook — and we'll market into that.

In turn, we turned what ended up becoming 100 person camp live into something that was marketed into tens, if not hundreds of thousands of people. One of the reasons why I'm here is I feel that approach in horse racing — whether it's having someone open an online account on TVG or wherever it is, coming to the track, selling them a beer, getting that low on money, whatever it is — there are applications in poker that could be used here in horse racing.

Let me go online real quick. This is from an event we did in Niagara Falls. Just bear with me 'cause we need a good internet connection to do this. Yeah. Let me get something else. Hold on. I'll show you something else that deals with our education.

Video: Hi, I'm Chris Torina and welcome to Deep Stack 360's Michael "The Grinder" Mizrachi's one day —.

Mr. Christopher Torina: This is an event we did three days before Michael Mizrachi went to play for \$9.5 million. We had over 1,200 people log in to pay us \$9.95 with zero market. What the technology allows us to do —.

Video: Mike "The Mouth" Madison. Say hello Mike. What's up?

Mr. Christopher Torina: Actual environment. Where you stream you just watch it, you can actually control it.

Video: Has never been done in poker training history before. We are going to live stream Deep Stacks Lives or Deep Stacks 360 —.

Mr. Christopher Torina: What that allows us to do — we shot this live, but what we ended up doing was we, in post, make these links like the Full Tilt live, which obviously doesn't work anymore, what we could do is leverage our sponsors to say we're gonna have 1,000, 2,000 people on this stream. 'Cause we can track it, 'cause we have preregistrations or pay-per-view purchases. How would you like to have co-placement on our felt? We ended up doing up doing was we ended up giving Full Tilt proper placement.

In turn, we did a click through promotion where everyone that clicked through one of these two logos went to a separate page that was our landing page. Everyone that signed up for a new account, we got rake back on. We didn't make \$1 million. We probably didn't even make \$10,000.00. The money we did make proved to us that we knew what the hell we were doing and we were on to something.

This application — now I wish I had the links. They're on my Mac. This application here is perfect for any industry. Like I said, we're using this for concerts. We used this for Snoop Dogg at Red Rock two years ago. We set up three cameras along the entire concert hall. We basically sold the thing pay-per-view, 8,000 people and there were 50,000 people at Red Rock. This technology allows someone who doesn't know anything about horse racing to do one of two things: get educated. A well-educated customer is a long-term customer, and then gets them to spend money someday, somehow. This is what this technology allows us to do.

When Dave and Bill asked me to speak at this today, this was the first thing that I thought about because if this were used as a simple promotional, on a promotional effort at a track or even in the paddock — because you have to understand one thing.

Video: That's it. That's it?

Mr. Christopher Torina: Going back to the skepticism within my industry, everyone thinks they're better than the next person. Everyone watching a horse race or watching a trainer train thinks well, I could do that better. How did they do that? How did she do that? What it does it humanizes our pros to come in there and go, "You wanna learn from us? Learn from us." We leveraged their following and their brand to then go to someone and humanize that pro-to-go. Listen, you wanna learn from Mike Mizrachi, Mike Matusow, and Justin Smith? We'll do that.

You're so used to watching them on TV at the end of the day, how would you like for them to come out from behind the television and sit with you in your local casino, and really experience that and really connect with you? Because once they connect with that player, that pro can sell that person anything. It's the same thing in horse racing. I don't know the name of one jockey, okay. That's not because I don't care to know. It's because no one who's in that industry — not before, obviously, this panel, is really trying to get my attention with it.

Even the jockey him or herself is not trying to identify with me to go, "Hey, listen, this person, this person, this person, how would you like to come to the track, and do a tutorial, and learn a little bit more?" I'm a student at heart. I want to learn. Convince me that I need to spend my money at your location or convince me to become a fan of your industry. That's really what we do.

Taking a blackjack player and making them a poker player is a lot harder than taking a poker player and making them a blackjack player because there's no education in blackjack. There's education in poker. I feel horse racing — and again, I might be a little longwinded,

but I'm on that horse — lack of a — sorry about the pun. Really it just comes down to I want someone to convince me that I need to focus my attention on this industry and not something else that I'm gonna end up spending \$5,000.00 or \$10,000.00 a year on.

We went to Churchill for Breeders' Cup. My guys and I lost 18,000. They thought they had the best fricken time of their life. I lost 1,000, I thought I was gonna cry. You understand? I had a good time. Would I go back? Absolutely, 'cause I think — 'cause I have that gambling mentality — I think the next time I go is that one time.

Just like in poker, I feel that next time I play, that's the day I break the game, which we all know you'll do. If I feel like I have the tools — like the education, the tips from the pros, and the technology, and the tools to do it — no one can convince me otherwise.

Guess what, you get me there. You get me connected and you get me hooked, then you always have my money. That's really what it comes down to. That's why, at the end of the day, poker and horse racing should be living together. They shouldn't be married, but they should be at least dating. That's basically it. Thank you for your time.

Mr. Walker McBride: These guys have done an excellent job when it comes to the education standpoint of horse racing. I have one slide when it comes to education. I'm gonna leave that more up to these guys who, right now, are the masters and we're learning from them. What Del Mar, what I believe we are the master at, but definitely have gotten very comfortable at, is finding new ways to reach people.

I've got a video that I'm about to cue up for you from opening day at Del Mar this year. It's my strong belief that horse racing not only is the most unique sport, but it's also the sexiest and the most sophisticated sport in the world. It's incumbent upon all of us to explain that and illustrate that better. When I say us, I mean racetracks, ADWs, handicappers, horsemen. It's up to us to convey that to the first timer that's coming to the racetrack as well. Do I hit it or you hit it, Willie?

Video:

Mr. Walker McBride: Not opening day.

Video:

Mr. Walker McBride: So obviously that's a slick edited video, two and a half minutes that encompassed a whole day at Del Mar. It does convey the point that horse racing is cool at Del Mar. It's captivating. It's a communal experience. That's something that we've tried to nurture and to foster over the years. We keep setting the bar by getting higher and higher attendances each year, but when did it start? It dates back to about 13 years ago. I was still goin' to school at the University of Arizona. The marketing and executive team at Del Mar, for probably reasons of flat attendance, decided that something needed to be done, something needed to be changed. There needed to be some rebranding at Del Mar.

In order to establish a brand, here's a couple bullet points on how you do it and what you do. What we decided to do or what they decided to do at the time was do exit surveys and conduct focus groups. Here's what kept coming up through all of that — and it might echo true today in some race tracks as well — but only old men attend horse racing, it's all about gambling, and race popularity is decreasing.

Indulge me two more times. I have two videos, much shorter. Here's the next one. This is

our vintage commercial, meaning it was the only commercial we had ever run, and we had run it for 20 years straight right before the rebranding campaign.

Video: *[Sounds indicative of horse racing]* This summer, kick up your heels where the turf meets the surf at Del Mar

Mr. Walker McBride: We were definitely playing into people's perceptions about us with that commercial. That commercial, as we were playing it, was basically white noise to people that were on the fence about coming to Del Mar for the first time. Newcomers, when they saw that, all of their perceptions about Del Mar came into play. What we needed to do was rethink and rebrand. What we did was kind of take a chapter out of the Vegas playbook and diversify the experience. From concerts, to hat contests, to last year food truck festivals, to family days—we just tried to emphasize it wasn't just about the horse.

What are our strengths? Obviously what we did at Del Mar is not gonna work at every single racetrack across the nation. We're blessed obviously with a great location, with a brevity of our meet. It's a call to action. You must get there. It's a 37 day race meet. We have a very active community at Del Mar that likes to work out and then, during the summer, likes to be seen. We play up to that point and that's a strength for us. That's somethin' that we harnessed.

Through all that, through all of that thinking, we came up with — I'm gonna take a leap here — but Nike, in their national campaign, they have the solution. It's just do it. Ours is very regional, but our swoosh are our gold and blue diamonds. You'll see that on everything we do, from billboards to radio ads that have our tagline cool as ever, to employee dress — they wear the gold and blue diamonds at our race track as well — to the hold music at Del Mar as well, where it's Bing Crosby singing, "Where the Surf Meets the Turf." It was a 360 degree rebranding all about the cool, and the captivating, and the compelling reasons to come to Del Mar.

The last video is our new — well, it was new in 2001. This was our first commercial based upon that rebranding campaign.

Video: *[Music]* Some things never go out of style. Del Mar: cool as ever.

Mr. Walker McBride: So, what, maybe a half second of a horse? We definitely shifted the focus and it ruffled a little bit of feathers. The next slide I have is sitting in our senior vice president of marketing's office. If you can't read it, I can read it for you. Elitist fashion show commercials, what in the hell does that got to do with promoting new fans to horse racing? Did your PR people die?

[Laughter]

Mr. Walker McBride: Well, it got some new people in, we ruffled some feathers, but we had alternate ways of communicating with those hardcore race players through direct mail and database marketing as well. The real results were, since the rebranding campaign started, over those 11 years we've been up 25 percent in attendance. It worked.

I'm 35 years old. I took an informal poll around my office and just tried to think of some of the most compelling things in horse racing, whether it's horsemen, inventions, moments, horseplayers.

Here's the list. I probably missed a couple. Feel free to chime in when you talk to me later about what should have been up there. The most exciting piece on this I think is the last four dots, and that's what's gonna happen in the future.

I see that going digital. That's just another way that we're gonna be able to reach the new horseplayer and just the new fan for horseracing as well. This speaks 100 percent to reaching them, and not only from a digital standpoint, from a mobile standpoint.

You might not believe me, but I did a little bit of research. Juniper Research is one of the leading research firms for intelligence in the UK. Morgan Stanley backs me up. Sysco's Forecasting backs me up as well. Really, at this point, I don't think it's really about even trying to reach out. It's just to keep pace with who our consumers are, who our potential fans are as well.

When we designed Del Mar mobile and launched it last year, we didn't know what to expect. We wanted it to try to be everything for everyone. We culled it down to what we felt were the most beneficial, most immediate, and best customer service tools for our patrons at the racetrack and beyond.

Obviously the one that's most important to us as a racetrack is the second bullet point, and that's wagering on track via this. Without full-force marketing approach, we did kind of a soft launch of it. We had about 1,100 people sign up for it, and they've become great ambassadors for us.

The average bet was about \$19.20 this year for us. We see that not going anywhere but up as long as we continue to educate people on how to bet and utilize all of these gentlemen's resources on educating our fan base as well. I said it earlier but really, the cost of building this to us now — we would have done it for probably double that because to not have a presence in the mobile space, in the digital space is gonna cost you a lot more.

Think about it as just a customer service. Anytime you wanna pull up content anywhere, you wanna pull up content from our mobile platform. You can watch races live. You can pull up PPs and make them come to life. In the future, this year, it's about avoiding lines for us by purchasing tickets perhaps when you're driving in. It's potentially about dynamic pricing.

On certain days, on certain hours, about how you can fluctuate cost depending on if it's a slow Wednesday or if it's a fast or a over-crowded Saturday. It's about immediately sending out promotional offers to your database through their mobile platform and them immediately then seeing that there's a discount, or there's a concert, or there's something going on at Del Mar and it hadn't crossed their mind if that's something that they could do.

As far as the teaching — and redeeming as well — sorry. This is one thing I'm excited about and it's taken a lot of development with our ticketing team as well. Just like a lot of airlines do now, it's after you purchase your ticket, you can show your barcode at the gate, scan it, walk in, go to your table, show that as well to your usher, and you can — it's ticketless, it's paperless, and it's not going away. I don't wanna soft-sell it, but I think this is gonna be one of our more exciting things in the next couple years for Del Mar as well.

Now as far as education, there's our forefather of education. There's a quote from him and I mentioned a tinker and tackle of how we have taught people horse racing and betting in the past. I think we need to absolutely tackle it through experimentation, through wagering boot camps.

If you have an ambassador or if they're — Horse Player Now has people in every single city. I couldn't think of anything better for the analytical minds of a group of people at JP Morgan to take a half day and have someone come in and explain to them the value of horse racing versus just the winning.

It's not about putting 20 bucks on a horse to win. It's when to do certain plays. It's when to get the most out of your money. It's not an immediate win. It's a long-term investment so you can have your money back. When's the right time to make specific bets? Reverse calculators — and by that I mean my wife has come to the racetrack numerous times, and all she wants to do is get out of that line as quickly as possible 'cause she can feel the heat from the ten people behind her grimacing as she tries to properly make a bet at the pari-mutuel window.

It's giving them the what to do with \$20.00. Here's the different types. Here's an across the board bet. Here's something else. You arm them with that knowledge so they walk up and confidently make a bet.

Then one thing poker's done phenomenally well is get the celebrities on the tables and have them actually play. Horse racing's done a very good job with celebrities becoming owners, but I don't think we've done a good job of actually getting celebrities to go make some bets or to talk about their betting strategies.

In that first video, there was the quick shot from I'm gonna guess the '50s of Lucy and Ricky at Del Mar. Ricky had his binoculars on. He was a horseplayer. He came to play Del Mar. He knew what he was doin'. He walked into it ready to go.

When we have celebrities at Del Mar or athletes at Del Mar, they're there just for the pageantry. They walk up to the window and drop 30 bucks on the horse to win 'cause it has a cool name or that's what someone told them. I think it's the education of celebrities and the potential for all of us in this racing industry to get some celebrities or athletes to become more ambassadors and endorsers for us from a wagering standpoint.

This last one I just threw up on here. I'm too old to be the next Mark Zuckerberg. He's probably at the U of A right now programming something that's gonna revolutionize it. The point being is that someone needs to be fired up, younger age, that sees it a little bit differently, and that can tell us a little bit differently about what we can do, and what we can't do, and what we're just striking out on at this point.

I'm reading the Steve Jobs autobiography, and I'll close with this. This is just a saying or — sorry — an excerpt from the book. We just need the collective intelligence I think of everyone in horse racing to sit down — everyone with skin in the game — to start talking and to start explaining new approaches and new ideas, and looking at it from a different way. Thanks.

Mr. Bill Knauf: We good? Yes. Thanks Walker. Obviously we have a real passionate group up here. Time got a little away from us so we don't have time for a Q and A. I'm sure these guys, if anybody wants to talk to them, to make themselves available after this session. Thank you to the whole panel. I really appreciate all you guys. Thank you everybody.