

Fifth Annual Joint Meeting of HTA and TRA

Monday, March 12, 2007

General Session

9:05 a.m. to 10:05 a.m.

The Product of Racing

- **Tom Aronson, Racing Resource Group**
- **Bill Finley, Sirius Satellite Radio**
- **Jeff Robillard, Horse Racing Alberta**

Stan Bergstein: Our next program is called “The Product of Racing,” and we have some very interesting speakers to discuss the matter. I guess I am the first person to have the privilege of introducing Tom Aronson, not as president of Racing Resource Group which is his own organization, but of introducing him as a new vice president of Churchill Downs. Congratulations, Tom, as one of the former executive assistants at Harness Tracks of America, it’s a pleasure. I know Tom has some strong views on the product of racing, and everything else.

Tom Aronson: Thanks Stan. The overarching theme of what I have to say is that change is a process, it’s not an event. To the extent that we’re talking about the product as opposed to the process, I can simply say that Stan’s original title for all of this was “What’s Wrong with the Product?” and it has morphed over into “The Product of Racing.” I think that’s a good thing because I am also of the school that there’s nothing intrinsically wrong with the product. What we do a lot when we come to these events, is, that every year something catches fire. Last night somebody suggested that the breeders were at fault in what’s wrong with racing, that they’re making too much money and that they’re retiring horses too soon. That was Jeff Gural, who got people all excited. His point is one of those statements that tends to catch fire in our meetings, and we become like the villagers in Frankenstein, where we light our torches and try to go out and burn down the castle of a breeder because they are at the root of all the problems in racing. Obviously they are not.

Whenever somebody says that a particular group or a particular person is making too much money it always makes me nervous. I’m not a Republican, but it still makes me nervous.

There's never a problem with people making money in our industry, it's a problem of people not making money. We wouldn't have much of an industry if we didn't sell overpriced horses to each other, and I'm one of the happy buyers periodically, of a piece of a horse who's way more expensive than it should be, and proves itself to be such when it races for me.

Talking about the product, I'll give you a few numbers to think about. They're just numbers. The first one is 40.3. Second one is 463. And the third one is 3.63. I'll talk about those again in a minute. But the conversation about what's right and what's wrong with our product really isn't very productive from my standpoint, I don't know what's right and what's wrong, and I don't think anyone in this room knows what's right or what's wrong. I don't think others think about it, and I don't think other industries or companies agonize as much as we do over our product. What they do is they try to change things. When I landed yesterday at the airport, I wanted some gum, so I went over to the vendor and there are 80 choices and I picked one out, and then later on in thinking about this presentation I was wondering why I picked it out. It's from the good people at Trident, and I know that they feed up into a large corporation which ultimately is probably run by Dick Cheney or someone like that, but I picked up this particular package of gum and it says "new and improved." Of course it's marginally new and improved, but I guess I liked that. It was very colorful, and what this one features is that half of the pieces of gum in are sweet and the other half are sour. So I now get to mix and choose how I chew my gum. I can have two pieces of sour and one piece of sweet, all sweet, all sour, it was incredible. This is a great experience in gum-chewing, I recommend it to everybody, simply in an exercise in remembering that repackaging, rethinking, tweaking is a big deal in this country. And what the good people at Trident recognize, but we forget all the time, is that they can launch something, they don't have to get 100% of the people in this world to buy it. As a matter of fact, just that happenstance of me picking it up is reflective of what happens all over the country when somebody is thinking about buying something or doing something. They just sort of do it. You can analyze it, you can certainly overanalyze it and God knows we do that, but the central point is there are millions, billions of people around this world who are just making choices and they really don't think about who's getting how much money out of it and whether the breeders are making too much money. It's irrelevant to the world out there. We are not relevant to them, unless we are giving them something they want.

So when I think about the product, and I know we've had a hundred debates over the years about whether it's gambling or entertainment, well gambling is entertainment from my standpoint, I don't even understand the distinction, it's just something to do. Some people do it more professionally than others, but it's just something to do. We do have a sort of a chicken and egg thing going on, of whether the product is a function of who plays it or vice versa. In other words, is this product driven by the people who already play it? Meaning we've got our market and we serve them, and that suggests a pretty limited opportunity for growth. Or is who goes to racing a function of the product we offer? Meaning if we change the product a little bit, goodness knows that more people may show up, and different people may show up. So it's not a question of right and wrong because all of us know there are plenty of people out there who would prefer to hit an exacta hard rather than play 300 superfecta combinations. They're just looking for opportunities to express what they think about a race and as long as we give them the opportunities, great; and if we give them more opportunities, hey, so much the better. And I think we are all guilty of sitting around at these events and when we go back home we start thinking, gee whiz it can't be done, or it costs too much money, or more importantly I wish someone else would do it, I'm all in favor of it but I wish that guy would pay for it. Fortunately I am now vice president of a company that can do things. Churchill Downs does have the luxury of the Kentucky Derby, no question about it just like Pimlico has the luxury of the Preakness and Belmont has the luxury of the Belmont Stakes. But it doesn't end there, certainly. We can leverage off of that, but we've got a lot of issues at stake, or a lot of issues to deal with having to do with the other 364 days of the year, so when Churchill and I had a discussion about whether this was going to be a good fit, my major issue was are you willing to invest in the change you're talking about, the answers come back a resounding 'yes,' and it came back in the context that Gene Christiansen and Dr. Shanklin were talking about just a few minutes ago. It comes back in the context of things have to change in a broad sense and at the same time we can all be working on changing them, the tweaks, the new packaging, the Trident gums that we look at, of getting people to pay attention to us more on a local basis.

The numbers I talked about before, the 40.3, 363, 3.63, and 40. I threw in the 40 there. It's a sequence. They're all related. Anybody got any idea what I'm talking about? 40.3, 363, 3.63 (there's a hint in there), 40? Ok, a tough question when you're sitting there, thinking about what you're going to do next. Forty thousand, three-hundred, is the number of combinations that

eight horses can arrange themselves into at the end of a race. 363 thousand is the number of combinations that nine horses can arrange themselves into at the end of a race. 3.63 million is the number of combinations that 10 horses can arrange themselves into at the end of a race. Forty million is, what a surprise, the number of combinations that 11 horses can arrange themselves into. It doesn't take you long; as a matter of fact when you get to 13 you're into the six billion combinations range. Now we should all know numbers like that reflexively because this is our business, but I have those numbers in my head all the time because they're huge and they represent an awful lot of opportunity to do things that we don't currently do. If the best we can do is Pick 6 or Pick 7 or Pick 10, shame on us, we ought to be looking for work someplace else.

Here's the particular challenge, and I'll close with this because I want Bill Finley to get up here and express what he's feeling. Our particular challenge is what happens, think about it in reverse, when you've got 10 horses in a field and there are 3.6 million combinations possible and you knock out one of them, and you're down to 363 combinations. In other words, if I can know that a horse is going to finish last, I'm eliminating 92% of the combinations. If I can know that two horses are going to run next to last and last, I'm eliminating 99% of the combinations, and this is how bad people think all the time, right? So our unique challenge is that we're not a bunch of ping-pong balls. Ping-pong balls don't get together and say "Eh, you know I'm not going to try tonight, they're going to put me in that machine and I'm going to bounce around for a while, but I'm not trying." Now we know in racing, and I'll put it bluntly, not trying is commonplace. Fixing is not. Not trying is part of the process of having animals walk out on the racetrack, and some days are better than others and sometimes it's almost better for them not to win a race or not to try super-hard because they're not ready to try super-hard. We all know this as a fact; it's a trainer saying he needs a race. Now this maps back to the fact that we are not quite as random as we might like to think we are, but to me it maps directly to the question of what we tell people who are playing our game as opposed to what we try not to tell them, and I would propose to you that historically in our business we have all been shamefully wrong about stuff we think people can handle and stuff that we don't think they can handle. Dating back to butizoladin, through Lasix, anything. I remember the gasps of horror when, in my early days at TVG, a trainer came on and said, "We're not ready to win this race." The horse is like three to 1, the trainer five minutes before the race is saying "he's not ready." So everybody who had placed

their bet up to that point is sitting at home saying, “Well, there’s great news,” and everybody else is saying “Hey great, I can throw out a three to 1 shot.” So the answer there is: the more information the better, and the more we explain why things are happening. In a race you’re dealing with human intent, trainers and jockeys, jockeys to a much lesser extent, but once in a while they get it in their head that they’re going to do something that doesn’t contribute to winning a race. Trainers have a bigger program, and to me I always focus on horse intent because every horse I’ve ever owned, when I put him on the racetrack, he doesn’t seem to want to do what the trainer and the jockey and I want him to do. He seems to have his own idea of what he’s out there to do. So there’s a lot of intent that goes in. My only issue with our product, in addition to trying to tweak it and make it better and get people interested and all those kinds of things that we need to invest in, is that the information flow that surrounds it cannot be regulated, it has to be put out there and managed properly and everybody will understand that, just like human beings, horses aren’t always on their game, ready to win races. It can eliminate an awful lot of the misunderstandings about what goes on at a racetrack. Generally speaking, we all know the horses are animals. Who knows what they’re going to do? Thanks.

Stan Bergstein: Those of you who have heard me talk about graduates of my finishing school, in fact you’re probably tired of hearing me talk about it, should know that letter-writing is the way that I hire many of the people who have come to work for me and gone on to bigger things. It was the way I hired Tom Aldrich, who was a student at Ohio State when he wrote me a letter, and ultimately he’s the person now who runs Northfield Park, one of our most successful stories. It was the way I hired Charlie Leerhsen who wrote me a letter and is now executive editor of Sports Illustrated, and it was the way I hired Tom Aronson who wrote me a letter which started off, “I’m Tom Aronson, I’m sports editor of the Harvard Crimson, and I’m interested in racing.” I’m beginning to think, at this very late stage in my game, that I should start charging commission to these people, including Churchill Downs, the latest recipient of one of my finishing school graduates. I wish you all the best at Churchill, Tom, and I know that they’re going to get all the best.

Bill Finley is one of the most multi-talented journalists in racing today, or in sport today as far as I’m concerned. He works for ESPN, writes, of course, for the New York Times, and he and Dave Johnson conduct a show which some of you may not have heard called “Down the

Stretch” on Saturday mornings on Sirius Radio. Radio is one of the medium that horse-racing has largely overlooked, I think mistakenly, and apparently Bill thinks so too and he’ll tell us about that right now, Bill.

Bill Finley: Thank you Stan. I promise I won’t turn this into an infomercial for what we’re doing at Sirius because you guys have better things to do right now and it would be more helpful if I gave some of my thoughts about the product of racing. But Stan put me to work pretty hard last night, so I think I am due a chance to just briefly give everybody some thoughts on what we’re doing and some ideas. We have a unique opportunity in this sport right now to get in on the ground-floor of satellite radio, which is obviously a very strong medium to begin with and it’s going to grow exponentially in the years ahead as the merger with Sirius and XM goes through, and also as more and more car manufacturers turn out these cars with satellite radio in it. Right now Sirius has six million subscribers, I believe XM has eight, so we’re talking about 14 million subscribers when the merger gets through and we’re nearing the day in age when there’s going to be easily 20-25 million, probably in the next three or four years.

We do a two hour show on Sirius every Saturday morning, a half hour of harness racing, followed by an hour and a half of thoroughbred racing coverage. We’re hoping to expand to three hours, of which it would be one full hour of harness racing, followed by two full hours of thoroughbred racing. We also have a show in the afternoons called “Down the Stretch,” which is essentially live coverage of the major races of the day. On Saturday while I was here, our team did the Louisiana Derby; we’ll be doing races of course like the Wood Memorial, Florida Derby, that sort of thing. There’s a little matter of rights fees for the Triple Crown which we haven’t quite figured out how to get by, so I don’t know what we’ll be doing with that. We did do the Breeders’ Cup and from the harness standpoint, we did the Breeder’s Crown, we’re on track to do the Hambletonian this year, so again, the opportunity is out there for both breeds to get involved in satellite radio.

Satellite radio, of course, covers every major sport extensively, the four major sports along with NASCAR, all the various college conferences and divisions, so it’s an opportunity for racing to latch onto something that’s growing important, and as happened in many other forms, be it print media, electronic media, not get pushed aside. It is unfortunately a situation that we are in, much like Winner Communication did with ESPN, where there is a cost to doing this as

far as a time-byte. But I will tell you our rates are about 1/30 of what you would have to pay or have to do to get a race on ESPN. I'm sort of the jack-of-all-trades when it comes to the show, producing, co-hosting, trying to get industry sponsorship, etc. and actually the NTRA has been very good to us, YouBet has been very good to us, Stan's organization, HTA, USTA, so we have no complaints about how people have come to the table to help us out and make this show. But the other day I called a fellow at a racetrack and asked him to get involved with the show and he sort of understood where I was going and he apologized to me and said "well, we only market locally," and he said it apologetically and I looked back at the handle numbers for this particular racetrack over the weekend—it's a thoroughbred track, and it's not a very nice place—they handled \$144 thousand on-track, which was roughly about 7% of their total handle. Now I'm wondering why you would want to market to 7% of your audience and totally ignore the other 93%. That makes absolutely no sense, in this day in age. What we can bring to the simulcasting customer, the vast majority of your audience, these are the people that you can reach through a medium like Sirius. For the Saratogas, Del Mars of the world, marketing to the local audience makes all the sense in the world. But if you are what has become the typical racetrack of 2007, where your on-track business is almost down to nothing and, again 91-93% of your dollars in handle come in through the customers across the country in simulcasting, well the customer in Iowa is every bit as important to you as the customer that lives five miles from your racetrack. I would like people to keep that in mind. Enough said on that, I would be happy to answer any questions for anybody else who is interested in what we're doing there.

But I want to pick up on a theme that would be more helpful to everybody of any sage advice I could give. Just as Tom mentioned, Jeff Gural made quite a splash last night and I thought the comments he made were really on the mark, and for those of you who weren't there, he was talking as a racetrack owner about what's wrong with the product of racing. He was very blunt, which is his style, he really pulled no punches, and he said three significant things. I'm just repeating this and I can't take credit for any of this, but it was worth repeating because I thought they were so interesting. Number one, he says that racetracks need to have shorter seasons. I fell in love with the sport as a little kid growing up in Philadelphia when Garden State Park had an opening day around April and a closing day around late May, and you sat around all winter just so excited, looking forward to the opening of the season, and the opening day at Garden State was just such an event and you would rush out to the racetrack. Aside from the few

seasonal meets like Monmouth Park, Keeneland, again Saratoga, Del Mar, in thoroughbred racing we have none of that anymore. So we've taken all that just anticipation of an opening day and a closing day out of the equation, and these 365-day a year places have just become betting factories. Again, I'm just repeating this but I think it's well worth talking about. He also said that we need smaller racetrack facilities, and again, I'll go back to, I think Belmont Park is the most unappreciated racetrack in the country, it's an absolutely gorgeous, beautiful place and they need to have a mammoth racetrack for one day a year, for the Belmont Stakes, so this wouldn't fall into the category that Jeff was talking about, but you go to that place on a Thursday afternoon and there's 2000 people there, and you've taken this marvelous, grand facility, which again I think is just right up there as nice a racetrack as there is in the country, and there is an atmosphere of almost, a depressing feeling. Jeff also remarked that you go and you look to see about a restaurant and if it's empty, you're not going to go there. I think he was advocating just tearing these places down and start all over again, and have a facility where you feel like there's some energy in the building. The opposite of Belmont Park to me is Freehold Raceway, which is in my neck of the woods in Monmouth County, New Jersey. It had to be rebuilt because of a fire. It is a tiny, tiny building and I'd imagine that their on-track attendance is probably in the neighborhood of 1,000 people, and the place is jammed because it is so small and you really have a feeling in there that there's a little bit of life and energy into the building. Jeff's last point, and I think that he really wanted to hit home on this, was about how the horses just don't race on anymore and the stars don't keep going. We all know that's a big problem and he was even talking about how we've got a point where maybe it's time to just take a step back and almost eliminate 2-year-old racing to encourage people to continue to keep these horses and point them for 3-year-old and 4-year-old campaigns. Now, having said all that, I thought there was one element missing in what he said. He talked about the smaller tracks, things that are good for racetrack management, things that are good for racing and for the horses, but typically of what you get out of these conversations, of people who meet at symposiums and seminars like this, no mention of the fan. I do a lot of things in media, but I came to this sport as a fan and a gambler so I think it would be more helpful if I really talk along those standpoints.

What can be done to make it obviously a more fan-friendly thing, and to make people have more interest in racing? Let me give you an analogy. Suppose that I manufacture shirts and I make nice cotton shirts and I charge \$30 for the shirt. Then I decide one day, I'm going to

increase the price of the shirt to \$60, I'm going to double it, and not only that I'm going to turn the cotton shirt into a polyester shirt. Now I took the \$30 cotton shirt, now I'm selling it for \$60 and I'm giving you an inferior shirt. What do you think would happen to my business? It would go into the pot, we all know that. To me this is exactly what horse racing has done. And if you look back, what is the cost of making a bet, to a customer, that is the takeout at a racetrack? Now when racing was in its heyday and pari-mutuel wagering started in this country in the 40's, the general takeout was in the neighborhood of 10% on a bet. So the cost of making a bet was 10%, essentially if you bet \$2 on the four horse, the cost of making that bet was 20 cents. Fast forward to 2007, the melded takeout rate at any track is in the neighborhood of 20%. So now we've doubled the price of making the bet. And also, back in the good old days, the product was a little bit better. The horses raced more often, there were seasons, opening days, closing days, we didn't have all the problems with drugs that we have now, the situation where we think we're betting not on who the fastest horse is but who has the most clever veterinarian. So I would argue that the product is not as good as it used to be, we took a game, doubled the price of our product, came out with an inferior product, then everybody wants to scratch their heads and say, "Why is our business down?" To me this is the most obvious thing in the world, yet people almost never talk about this or mention anything about well, what's the problem here? Again, go back to the shirt analogy. How is it any different than the shirt analogy? Thirty dollar shirts now cost \$60 and they're going from cotton to polyester, well of course your business is lousy. Now back in the good old days, or maybe until about 1975 or so, you could get away with this because you were a monopoly for gambling. Not a monopoly anymore, so what does the customer do? Well I'm not going to buy the \$60 polyester shirt, I'm going to go around the corner and buy somebody else's \$34 cotton shirt or something like that. How do you solve this problem? Well racing has essentially painted itself into the corner by foolishly selling its simulcasting signal so cheaply for those three and four percents which never should have happened and now you have a trend so how do you reverse that? I have one thought and it's perhaps so off the wall that it's crazy but maybe then again, you need these kinds of crazy ideas. We're thinking about how the game has changed with slot machines, and what have slot machines done for the sports of racing? Well they've made racetrack owners wealthy in some cases, they've made states' governments wealthy in some cases, and they have put a ton of money into horsemen's pockets while doing essentially nothing else for racing so far as attracting fans. Again, one of my pet

peeves in racing is you go to any racino at almost any racetrack and there's no betting window, there's no television monitor, it's almost as if we're embarrassed that we have horse racing here. But why not take some of these riches and give them back to the bettor? Now here's Yonkers Raceway, a good example, this is now the latest, greatest success story in racing with these tremendous purses and they're stealing horses away from the Meadowlands, the Meadowlands cut back to four days a week, you had an on-track handle of \$40,000 the other night at Yonkers Raceway. Now, how much money is made from that vis-à-vis the slot business? I mean, I wouldn't know where to begin; it's so infinitesimal that it's almost meaningless in on-track betting business. Now I know you would have to hurdle all sorts of state legislatures and racing commissions and, again it's easy for guys like me who don't have to do these things to come up with these ideas, but why wouldn't you take a place like that and, if you can get your racing commission to do it, and virtually cut your on-track takeout to zero, or one percent or two percent? It wouldn't affect your bottom line in any way. I mean, if you're handling \$40,000 on-track, now I know you can't do it with the simulcasting because if the guy is only paying the 3% that's not going to work, but why not try a wild idea like that? What would happen to on-track business and rejuvenating the product? If you're handling \$40,000 in live product, what do you have to lose? What is your take on that, a couple hundred dollars, a thousand dollars, two-thousand dollars whatever. Why not something as crazy as that to revitalize the product, to make it fan-friendly. What's the problem with horse racing? We're still a gambling game; it's too hard to win. Nobody can win money gambling on horses, nobody. The only people who are possibly winning or doing well are the people betting through the rebate shops, the reason why: with the rebates, they're now betting with a manageable takeout, 5%, 6%, 7%. These guys are flourishing, the rebate shops are flourishing, they're pumping millions of dollars into handle and all they've done is take an unwinnable game and perhaps make it where the guy's got half a chance to at least break even or maybe earn some money. So don't forget these aspects of what's wrong with the product, I would say very simply, you've created a gambling game, which is what this is still all about, where the player doesn't have a prayer. You hear these guys big boasting, you know, "I'm killing 'em at the track." They're all lying. Everybody is losing money. Everybody. And what sensible person is going to keep on doing this? You'd have to be a degenerate gambler to do this, and to keep on betting and betting and betting when all you can do is go broke. It makes absolutely no sense.

I don't want to drone on too long but I just want to bring up one other point and, again, I'm stealing someone else's idea, but the whole issues of integrity in racing, and the problem of reeling in the cheats. I personally never thought it was that big a deal because I came around NY racing in the mid-80s when Oscar Barrera was the biggest scourge in the history of racing, where he would claim a horse for \$12,000 on a Wednesday, run him back for \$30,000 on a Saturday, three days later and the horse would win by 10 lengths. I always thought the fans just adjusted, ok well Barrera claimed a horse he just lost by 20 lengths for \$12,000 he's running back for \$30,000 three days later and he's six to 5, which was literally the situation. But I found something very interesting in this ongoing story out of Toronto, where they've had so many problems with the drugs and the cheating, alleged cheating to be fair, with people going on in the Ontario racing circuit and the Toronto Sun wrote a big story about how the Woodbine Entertainment people found that their handle was just being decimated and was just going down, and they thought that the reason was that because the races were just not trustworthy anymore. It was not the fastest horse, it was just who had the best drugs that night. And I really learned a lesson from that, that people do care about this, and I still don't think that the sport takes the integrity issues seriously enough. And I would applaud harness racing because I think they're far ahead of thoroughbred racing in dealing with this. Anyone in this room who's involved in a thoroughbred racetrack, take a look at what harness racing has done with the detention barn systems, there's not, as far as I understand, there may not be a single major race in harness racing that is not run out of a detention barn. I believe the Little Brown Jug is something like 72 hours before, NYRA has done something here and they're on the right track, I've argued with my friends there that they don't have them in the detention barn long enough. But for any major race to be run in this country without using a detention barn system is outrageous to me as a fan and a gambler. To not know that the grade-1 race on a Saturday afternoon is going to be squeaky clean and it's going to be won by the best horse and not by the guy who's using the latest cone snail venom or whatever it is, is an outrage and there's an easy way to do this. To hell with the horsemen, let them scream. In the previous NYRA administration one thing I disagreed with so much was they were going to put them in the detention barn for the Belmont Stakes, and Bobby Frankel, who was going to run Empire Maker, screamed and yelled, you can't do this, and they bowed down, okay, Bobby, and they banned it. The heck with the horsemen, integrity has to come first, and thoroughbred racing has made small steps in this but has not done nearly enough.

I think that's the first start here. Major races in this country, graded stakes races, I don't care how much it costs to put up the barns, security, you cannot be running these races without a detention barn system, which is basically a fool-proof way to see that your horsemen are not cheating. With the exception of the New York Racing Association, virtually nothing has been done in thoroughbred racing; I think that's something that has to be done immediately. So those are my few ideas, if anybody is interested in the Sirius thing, I'd love to talk afterwards. Thanks for your attention and time.

Stan Bergstein: You understand now, very easily, why ESPN, New York Times, and others have sought Bill's services. I neglected to mention, in my last boastful essay about my finishing school graduates, Chris McErlean. I hired Chris right after he graduated from Scranton University and now he is with Penn National after his career with the Meadowlands. I can't take credit for Bill Finley, but I do remember now that you came and sat on the sofa in my office in Morristown, NJ and we discussed your career when you were just a kid.

Bill Shanklin: So you take some partial credit then?

Stan Bergstein: Ha. The next speaker is not, as listed in your program, Jerry Bouma of Northlands Park, but he is a man who produces the most creative advertising in North American racing, in my opinion. He is Jeff Robillard. Unfortunately, because he works in the Province of Alberta, many people in racing don't see his work. It's unfortunate for you that you don't and it's unfortunate for racing that more people don't. This guy has turned out some of the most creative stuff in racing that I've ever seen and we're going to ask Jeff Robillard to talk a little bit right now, Jeff.

Jeff Robillard: Good morning, I was asked to, in terms of our product, speak specifically about success in the media with our product. I'm going to talk to you about a thoroughbred horse by the name of Brother Derek who you all know by now after this year's Kentucky Derby. He was owned by a gentleman in Calgary, an elderly gentleman who owned horses for years. The horse was trained by Dan Hendricks who was confined to a wheelchair, and of course we all know his jockey Alex Solis was in a bad accident, was told he might never ride again. This horse brought

these three unique gentlemen together, and we decided to do a documentary and follow this horse's progression, hopefully to the Kentucky Derby where the rumor was at the time, he could be one of the early favorites. As we started shooting the documentary, the stories continued to get more and more intriguing and we went to the media and spelled it out for them, what we had, and thought it might be a good storyline. The response back was pretty clear, they weren't interested. After all, the Oilers were going into the playoffs and there was just no real interest in our product, even with this unique story.

Finally, a gentleman at a major newspaper in Calgary, Alberta, and one of the bigger sports radio guys sat down and said "Jeff, look, I'm a baby, spoon-feed me, make this really, really easy for me." So we took that approach with all the media, Cecil Peacock, the owner, opened up his house from eight in the morning until 5:00, we won't call it a press conference, he was intimidated to talk about it, and so were the media that got assigned to write about this unique story. His wife served you coffee, served you sandwiches, and made the forming of this story a lot easier for them. As we went to the Santa Anita Derby and eventually the Kentucky Derby, we provided written updates, backgrounders, quotes on our website for all media, conducted live radio interviews, provided photo images on an FTP site, and beamed back images to the broadcast media whether or not the horse galloped, trainer interviews, for the whole time. The results were close to staggering when we did a recap, and believe me, at the mile mark at the Kentucky Derby when the horse was in 16th place I was wondering why I was doing a documentary. Fortunately enough the horse surged on to finish fourth, as you know. Facilitating and placing the story out to the media created 191 local, national, and international stories on Brother Derek. Local media, community newspapers, [The Washington Post](#), [The Miami Herald](#), [USA Today](#), all utilized the service. Fifty-one live radio interviews were done on Brother Derek, his trainer, his owner. Feeding them the information, and numerous print stories including five full-page color stories on the front of the sports pages. So Brother Derek developed a following in Alberta, and on Kentucky Derby day the handle was up 30% from the previous Kentucky Derby. Short and sweet, we had to physically assist the media with this story. The morning, the day before the Kentucky Derby we went from 4:00 in the morning to 12 midnight facilitating media requests and assisting the media in the formulation of this story. So maybe all of us can take a step back now, as we did, and leverage our product with the media in the future by extending your media services. Remember the story of Brother Derek.

Stan: If you'd like to see some of Jeff's work, let us know and we will make sure that you get examples of it. Questions, anyone for any of the speakers? Any questions for Tom Aronson or Jeff Robillard or for Bill Finley? If not, it means that you've covered the subject either so comprehensively or you have so intimidated them with ideas and flooded them so they can't even respond. Chris Scherf will address the issue of Technical Investments in Racing, Part One.