

Sixth Annual Joint Meeting of HTA and TRA

Tuesday, February 19, 2008

8:10 a.m. – 9:00 a.m.

Swimming with Whales: Will they Beach Offshore or Can They be Returned to the Racetrack?

- **Nick Eaves, Woodbine Entertainment**
- **Maury Wolff, racing economist & long-time major bettor**
- **Dave Johnson, Sirius Satellite Radio, moderator**

Dave Johnson: Thank you Brock Milstein and Bob Bork. Just to reiterate, it is nice to see old friends and make new friends. This is really a family; one of the recurring threads through this convention is that it's the family of racing and tonight, right after dinner, the first thing that we're going to do is talk with Brian and John Cashman, talk about a family in racing and in sports. Back to this morning. When I was calling races the first thing you had to do was give your scratches and changes, and one of our panels was cross-entered so to speak. Mike Maloney, listed on this panel, opted for tomorrow's panel on Trust in the Pari-Mutuel System. So with me is Nick Eaves, who is the president of Woodbine Entertainment, and Maury Wolff, well-known racing economist and major player. The format is this: we're going to have each of them introduce themselves to you by telling their points about the best and the worst of their subject, which is big bettors. Actually the title of this is Swimming with the Whales, Will they Beach Offshore or Can They be Returned to the Racetrack, "Whales" of course being big bettors. Nick Eaves, what's the best and the worst of this situation?

Nick Eaves: There is no best; the reality is the industry has gotten itself in a very difficult predicament in terms of the way in which we've relinquished control of the pari-mutuel system. The best of racing is our big events, obviously all that we work hard to do is build fantastic race events, that's the best of what we do and that's what most of us in racetrack management would love to be focusing our time and effort doing. The reality has become that, given decisions made within the industry over the last several years, we're now focused and struggling ultimately to ensure that there's going to be survival because we've totally lost control of the pools, we've lost control of the distribution system, and ultimately we've got to put a significant priority on getting

back into an environment where we're able to manage that. I think as a business we've put ourselves in a pretty unique position. It's impossible to think of many other businesses that have abdicated the overall responsibility for those elements. Each track honestly focuses on developing new customers, keeping existing customers, particularly the "Whales," as we call them. We have to do everything we possibly can to ensure that they don't beach offshore, that we can move them back to the racetrack. My particular view, and I don't expect it to be shared by everybody, is that the fundamental challenge that we have to embrace is regaining control over the way our product is distributed, the way it's priced, to whom it's sold and on what basis it is that the customers are able to participate.

Dave Johnson: That's where you focus on yourselves rather than the customer. Maury—best and the worst.

Maury Wolff: First, for the best of this business, one of the best things period is seeing Stan when I come to these meetings. I enjoy doing that and I want to thank him for the opportunity. In some sense Nick and I are in agreement because I think the best and the worst are actually quite interrelated. The best thing from the standpoint of customers, at this point, is that you have basically, in some sense, finally had a deregulation of the pricing of horse racing. You now have a more competitive pricing in the marketplace. The worst about horse racing, and the reason, as Nick said, that this situation evolved is because horse racing has historically been an extremely heavily regulated business with no pricing flexibility, with very little product flexibility and the process that evolved from that situation is that unlike most businesses where pricing is sort of a central tenet of how they look at their relationship with customers and in the business world; in horse racing that was taken off the table, so it's taken an impetus from the outside to make it happen. Obviously if you're betting today, especially if you're betting a lot of money, you have quite a few more options than you had 10 or 20 years ago when the only option you had was dealing with the local racetrack and whatever pricing structure they didn't even set, but their state legislature set for them.

Dave Johnson: Nick, do you have a comment about what he said?

Nick Eaves: No, I mean pricing is obviously going to be an underlying issue of all that we're going to discuss this morning and in future panels and certainly, fundamentally, we need to be structuring a pricing model that recognizes and rewards the biggest players, that's just a tenet of any retail model. Obviously there needs to be sort of volume-based pricing and our operating

model is exactly that. But it needs to be within the overall pari-mutuel environment as opposed to extraneous.

Dave Johnson: How do you solve the problem though, from Woodbine's point of view? Put yourself in the position of the fan who has some choices, how do you solve it there?

Nick Eaves: The management and racetracks and the industry have made it a customer problem, and that's something that none of us are terribly proud of but it's a reality. I don't have the solution. The reality is we've been talking about this issue at every conference that I can think of over the past several years and I hope more than anything that we're not talking about it for many more conferences to come. The only way to solve it is some sort of overarching, North America wide, industry owned & managed, broadcast account wagering rewards program that ultimately keeps the distribution and participation of racing within the overall pari-mutuel family. Ultimately it's an encumbrance on the industry to make sure that the compelling pricing that bigger customers deserve is available and we're not all feasting and fighting over a dwindling share of the same pari-mutuel pie.

Dave Johnson: Maury, do you see that happening?

Maury Wolff: It's much easier to make that happen in Canada because Woodbine is the dominant player in a business where basically the rest of the industry isn't very large. It's very difficult to see it happening in the United States where you have enormously large and powerful groups each with their own set of economic interests which they are very unlikely to see served as well as they can serve them by themselves. As a customer when I hear that kind of talk I get a little nervous, because very rarely in life has consolidation of economic interests been good for the pricing that players end up with.

Dave Johnson: A question from the audience.

Bob Seefeld: I think we heard this discussion at the Congress in Las Vegas, I think your boss was there, David Willmot, who is a huge defender of the current pari-mutuel system. It seems to me that that system which was invented in the 20s and 30s is really out of place in 2008. It's just completely out of place, and my view is that we need a whole restructuring of wagering in the United States and North America, it's completely out of place, it's really a dead system, that's my view.

Nick Eaves: I agree with much of that. The reality is that the status quo is impossible. There's too much broad-range distribution, there's too much leakage in terms of any sort of management

and control of the signal overall and the end result is that we're doing battle over some customer facing a dwindling market in an effort to stay in the business. We need to find new ways of growing the business.

Dave Johnson: Maury, do you wager on the Canadian product at all?

Maury Wolff: No.

Dave Johnson: We're basically talking about rebates here too, aren't we? What kind of alternatives do you have to wager right now? Percentages and places.

Maury Wolff: The places change from time to time but there are probably five or six major operations and again there's a muddying of waters here that needs to be clarified. We're not talking about the offshore, offshore is a word that gets thrown around a little bit carelessly. There's offshore bookmaking that is illegal, it does not contribute to horse racing is not contractual and so forth, and then there are the other places, RGS, meta-racing elite, which have contracts and all the money goes into the pool and I don't think Nick and I have the slightest disagreement about the offshores, although we probably don't have much disagreement either about how difficult it is to do anything about them. In terms of the rebate shops, pricing has been changing dramatically, Tracknet is basically succeeding in getting considerably higher prices for the industry and the result, as pricing goes up rebates go down, so you're now dealing with probably four to five percent less than was true in the industry six or seven years ago when three percent was the standard pricing model and only the very highest level racetracks were getting more than that. It is almost impossible to understand how that pricing model developed, but for smaller tracks that may still be the case. For large tracks no one is in that pricing model and rebate.

Dave Johnson: Maury, is there any plan that would work that would satisfy people who bet a lot of money and want some rebate back because they are the best customers, and what Nick was talking about, that would bring them back to the track.

Maury Wolff: It's sort of a question whether you're talking about in theory or whether you're talking about in life, because in theory anything is possible. In life, what existed before the rebate shops developed was pricing that almost always went in one direction and that was up. Part of the problem with this business is that it priced itself too high and in a skilled gambling game, when you're taking 25 or 26% out of trifecta pools, when you're taking 20% out of 2 horse wagers, and so forth, it's just very hard. You have to be unbelievably good to overcome an

advantage like that, and you couldn't bet much money because you would have to be extremely selective about what you took. As I said, it's well and good to say that if these rebate shops would disappear that racetracks would introduce a pricing that was wonderful and competitive, but again I seldom encounter situations where less competition is good for customers.

Dave Johnson: Nick, do you have any idea of what percentage, right now, of the handles at Woodbine—is there a rewards program of any kind?

Nick Eaves: Well we have our own rewards program that we undertake and approximately 40% of total Woodbine home market area handle goes to that rewards program. Whether we call it a rebate, a reward, a takeout, an adjustment, whatever we call it there's no question that within the industry it's a critical requirement of any type of growth plan if we want to see pari-mutuel wagering increase any. The challenge is we shouldn't have third parties taking the lead on the rollout of that rebate structure because ultimately what it creates—it creates competition and there's no question about that—is a competition which by no means is a level playing field. I know this issue has been discussed a great deal, but obviously the reason that the level of rebates are what they are at those rebate companies is that they simply do not have a cost-structure that resembles the cost-structure of a racetrack. We all know of that fundamental reality, but it means that those operators that do believe in rebates and rewarding customers for the volume that they put through are in a position where they have to compete against a competitor that we let into the business on a basis that's fundamentally unfair. So a rebate structure has to exist, it has to reward all customers, particularly the ones who spend the most, who earn it the most, but it needs to be an internal one and we can't continue as an industry to export that function to a third party, it is creating the demise of the business.

Dave Johnson: How can you get rid of the third party?

Nick Eaves: Who knows? The industry has to come together in some way and find a basis upon which the third parties can be dealt with fairly and commercially and the industry can ultimately deliver a product and charge a fee which is representative of the cost of creating that product.

Maury Wolff: This isn't exactly germane but I'm kind of interested in Nick's view on it because the problem with third party pricing is that there is an entire array of third parties out there. In addition to the rebate shops, you've also got greyhound tracks and jai alai frontons and so forth, and you've got Las Vegas and you've got New York City OTB, so we've got this

extraordinary distribution network. How in this “let’s regain control of our destiny,” do you deal with this problem? Again, this is not a big problem in Canada, but it is certainly the situation in the United States. How do you deal with the fact that you’ve got an entire array of distribution, or distributors of this product now, that are not directly tied to racing operations? If I had the answer to that I wouldn’t be sitting here. It’s the 64 thousand dollar question and at the moment there’s a scattered, disparate strategy of how it is that each of those non-racetrack partners is contracted with. We’ve all heard the views of the National HBPA in terms of some thoughts they have as it relates to the pricing of thoroughbred product and in some way or another there needs to be an industry strategy that determines a business plan that involves each of those participants because for the most part they’re not going anywhere. Some of them are more legitimate members of the community than others but each of them, in my view, needs to be contracted in a way that’s reflective of the market that they deliver, the level of investment that they have in the industry, and things such as that.

Dave Johnson: What does that mean? Does the fact that some off-track betting operations have lots of shops that don’t make particularly good sense anymore as the market has changed, but they still have that investment, does that count? Who plays God here and decides what—it’s tricky Maury.

Nick Eaves: Those are all the real questions that the industry ought to be discussing. There’s no question that so long as attention isn’t being paid to those types of very legitimate questions, and so long as it’s every track for themselves or every jurisdiction for itself or every collective vying group for itself or every major aggregator for itself—so long as it’s only being addressed or attempting to be addressed on that level—we’re exactly where we’ve been for the last few years. It sounds a bit utopian and I’ll acknowledge it for the moment but status quo is not acceptable.

Maury Wolff: You brought up New York City Off-Track Betting. I have an account there. Could you explain how they can take bets on the evening harness racing when, at the same time, Woodbine thoroughbreds are running a million-dollar race, why we at New York City OTB can’t bet on the thoroughbreds, but we can bet on the harness.

Nick Eaves: Woodbine obviously wouldn’t choose that, it’s simply a reality of what product New York City OTB will buy and what they won’t buy, and we would love to sell New York City OTB more product.

Dan Fick: Is fixed-odds wagering no longer in the picture in this country or is there a possibility of a future for that?

Nick Eaves: We need to look at fixed-odds wagering. Obviously it's a staple in other markets and we've seen alarming trends on the pari-mutuel side and it's obviously not a simple outcome, but I think something other than status quo pari-mutuel offering has to be on all of our minds.

Maury Wolff: It goes back to the beginning, of what's the worst. The worst is that the structure that horse racing is saddled with which discourages entrepreneurship in the pricing model in every way shape and form. It's going to be an outside company that profits from the idea of betting exchanges, because there's no particularly good mechanism inside the business for creating something like this. It's what Bob Seefeld was talking about when he said that we've got sort of an obsolete wagering product, and it is overwhelmingly, as Nick sort of thinks, the structural problems that are insuperable, but I look at it as being the regulatory problems that are insuperable.

Nick Eaves: It's clearly both. You've touched on a really important point which is that this industry—we're all guilty of it—has a habit of turning to a third party to deliver the next commercial solution. So long as we keep following that approach—whether you're a customer, a horse person trying to win a purse, or a racetrack operator—we're only going to be looking at a declining margin if we continue to look at a third party solution to the ways in which we can grow the business.

Maury Wolff: Nick are you a player?

Nick Eaves: A little bit.

Maury Wolff: Do you understand the idea that when you get the rebate that it makes you a bigger player? Did that ever happen to you?

Nick Eaves: Well, I'm not that big a player. The reality is, for a significant player, obviously, it's all about that margin of return that a rebate is ultimately going to deliver. For someone like me, it's not about the rebate. The reality is, for the 5% of our customer base that makes up 60% of our wagering, it's all about the rebate. That's a key element of our in-market wagering strategy.

Maury Wolff: But if you're going to invite the third party to the table, don't you have to serve the third party?

Nick Eaves: I'm saying, don't invite the third party to the table.

Maury Wolff: So don't you have the right to get rid of them?

Nick Eaves: Yes.

Maury Wolff: And do you?

Nick Eaves: Again, that's where the Canadian model is a little bit different from the U.S. model. We manage our own account wagering system, we have our own broadcast distribution system, and those, in my view, are product distribution mechanisms that anybody in the industry ought to be managing for itself and, as we all know, there are dozens and dozens of alternatives around the world that various tracks will sell through. So as soon as there's one option available on one third party distribution network then it's divided.

Maury Wolff: Certainly, if you're in the business of betting, pricing is everything. The amenities are wonderful, you can do lots of small things, but pricing is what is going to drive your wagering in the end and if you're in the business, just like anybody in this room, it's a rate of return business. Certainly what Nick is saying about what people bring to the table, I know Woodbine strongly disagrees with this, but one of the engines of growth of handle in this business has been the gigantic computer bettors that are almost becoming the stuff of legend. One of them spoke at the Symposium on Racing in Tucson. Those guys are new business that the rebate shops essentially brought to the table; it's not as if the rebate shops are just sucking the lifeblood out of existing institutions. With a different pricing model, people behave very differently in terms of their amount of wagering. In this case you've created some extraordinarily big bettors, the likes of which were not in the business before. As I said, you're not going to beat a 25 percent takeout trifecta very easily when you get that takeout down to a level that is beatable, you get all kinds of interesting people and you get existing customers betting a lot more on one of them.

Dave Johnson: I do too. I love to bet the superfecta, but without a rebate it doesn't make any sense. Sometimes for a dime, but not for a dollar.

Dick Powell: I did note interest with level of investment as possibly being a criterion. Our level of investment is with the customer, the customer gets back an inordinate amount of the retention left on the bet and that's where the investment is going. You can track it, you can see it and you can see the results of that level of investment by the customers taking their rebate money, having a fighting chance, as Dave just said, in terms of making money, and charting far more money than they would ever do without a rebate or with a lesser level of investment. So in our business

model—which has been misinterpreted by many, many people—normally on any given bet when we pay a host fee, and that host fee gets divided equally between the track and the horsemen. Our company is getting less than your share of that host fee, but the customer is getting a big, big share and rightfully so because this game depends on the customer. Maury's point about new handle is absolutely true, that there have been market voids. These third party places popped up because racetracks were not doing certain things and big customers found areas where they could go and market forces took care of that. I think that will continue, but at the same time market forces can go in the wrong direction. I think if you look at the total amount of handle bet in America, which has come down from 15 billion and change down to 14 billion and change, if you take rebate growth out of that equation, I think you're looking at a far more severe drop in business than we're really recognizing as an industry. As I said in Arizona, if you want to get treated like poker then make the successful players heroes. Build a statue of Ernie Dahlman or any other big customer who risks a lot of money and does well and for every person like that, there will be 49 or 99 other people trying to achieve what poker players try to achieve based on the publicity given to high-end poker players. Unfortunately, in our industry, we don't always treat the high-end horse player the way poker treats the high-end poker players.

Nick Eaves: I agree with much of that. What I particularly agree with is that it's the industry that created the void that allowed Racing & Gaming Services and others to go and fill the void. So we're guilty of creating the environment. The customer getting much of that capital is a good thing but, for the most part, those were, at one time, racetrack customers. The industry is responsible for allowing this new environment to take place. That's the reality of where we find ourselves. It's a customer earning a higher return based on the void that was created by the industry that services stepped in to fill, and as difficult as it is to see our way through, my underlying premise is it's not these third party providers that should be filling the void and providing that flow of capital back to the customers, it's the industry that ought to be doing that.

Maury Wolff: This almost becomes a circular argument. The evolution of this product is really in the last 20 years. There was no simulcasting in this country until the mid-80s when Garden State and The Meadowlands started doing it. The industry had total control of distribution, everything that Nick would like to have, for a very long time. There was never any pricing competition at that time. I can tell you what the numbers looked like from 1970 to 1985 because I looked at them and takeout was basically a straight line going up and business, at the same

time, appropriately looked like a straight line going down. Now there were other things going on as well, but it's not as if the industry didn't have control of its destiny for a long time, it just didn't do a good job of shepherding it when it had it and now putting the genie back in the bottle is going to be very difficult for all kinds of reasons.

Roy Arnold: I just had a question; I'd like the "Whale's" perspective of this. We're talking about pricing models which, I think everyone agrees is a central question for us, but somehow we never seem to want to talk about another element of the pricing model which is the inventory of our product, the amount of product that's out there, the finite amount of quality allowance horses and stake horses, and the natural tendency for a trainer and an owner to try to find the best race opportunity for that horse, and usually what that means is that we end up with a lot of races with a very obvious favorite because horses will not go to a race where they see a sure thing. So in order to affect the pricing model, do we need to affect the inventory process? The next panel is on racinos and that looks to have that unintended consequence of forcing some people out of the industry. But I'd be interested to hear from your perspective as a large wagerer, what that issue of quality of the product has in terms of your behavior as a wagerer.

Maury Wolff: I couldn't agree more with the general point. Steve Crist wrote an article in the Racing Form in the last few days in which he took some data from the Jockey Club and looked at things like handle per race and purses per race and those kind of statistics, and the United States is way out in front in number of races—this is thoroughbreds, and I'm not quite sure where Canada would fall on that—and other places the Hong Kong and Japan, have far fewer races and enormous amounts of wagering per race, obviously the quality of the product they can present is going to be reflective of that. It's sort of a sad truth that because horse racing has had trouble competing on its own, that what has happened is that the response to that has been to get a slot license. You can make a list of tracks that would not be in business without a slot license because some of these places were actually already closed: Prairie Meadows was in financial trouble; Delaware Park had closed for a couple of years; Charlestown may have been closed. So basically that was the market's answer to the fact that we have too much horse racing, was that some of the marginal operations were going to close down. Racetracks are good employers, they employ people who are not the most employable elsewhere and that's an argument that sells politically and so the answer that the state legislatures came up with was: slot licenses. So now, instead of having a reduction in the number of horse races and a reduction in the number of

racetracks, so that the Arlingtons and the Churchills and the NYRAs and the Del Mars and The Woodbines and Monmouth and on and on, would have much more control of the high-quality product and you would have more good horses running at a smaller number of places. Instead you have the opposite, you have the dispersion, you have slot purses where \$5,000 claimers can run for a lot of money and where a horseman sitting looking at a Churchill condition book might look at a Mountaineer condition book and say “I’d rather run there.” Easier competition, better purse. So what that has done is it has terribly diminished the quality of the product. Just ask any horseplayer about what Gulfstream’s been putting up for the last several weeks and they will be happy to tell you just how diminished the product is over what—

Dave Johnson: You mean, Gulfstream where on the second Saturday in January there was no stakes race?

Maury Wolff: Correct.

Dave Johnson: Just wanted to make sure we had the right one.

Maury Wolff: But there were plenty \$12,500 claimers and two going 6 and a half.

Nick Eaves: On the issue of quality product being rewarded, certainly we don’t see as much of that in our market as racetrack operators as we would like to. What we see big customers rewarding is good full fields and competitive racing and that’s one of the challenges. In terms of answering the question of the good, even though it was unrelated to the topic, I spoke about our big event days because that’s really one of the only bases upon which we can interest the new customer in our product. As I said, the 5% that is delivering the 60 to 65% of our wagering are less concerned about the ultimate quality of the horses in the race and far more interested in field size and a competitive field.

Dave Johnson: The subject of this panel is getting them back to the track, but do you think that you can actually, physically get the bettors back or do you want them just to play through computers, over the telephone, with you?

Nick Eaves: We’ll take them any way that we can get them. Obviously if it were up to us, which it clearly isn’t, they’d be back on track because that’s the real experience. In our case, a Woodbine operator: telephone, Internet, off-track system, doesn’t matter; a customer is a customer.

Dave Johnson: Maury, 15 or 20 years ago, how many days a year did you go to the track?

Maury Wolff: More than I care to count.

Dave Johnson: And now, how many days do you go to the track?

Maury Wolff: As few as possible.

Bob Seefeld: I just wanted to say Maury, I didn't say it was sort of obsolete, it is obsolete, the 1930s pari-mutuel system. I also wanted to say in deference to my colleague Bob Levy here, I believe Atlantic City was the first simulcast, not Garden State. And of course when I was working at NYRA they had the chance to simulcast Saratoga down to Aqueduct or Belmont and they said "No, we want the people to get on the bus and come up."

Harvey Wilkinson: I would be interested in hearing the panelists' thoughts on lowering the takeout rate.

Nick Eaves: We've elected to really lower takeout selectively by way of takeout reduction or rebating. Certainly, we work hard to do the very best we can to have competitive takeout by bet type as a fundamental starting point, and then we've focused the available resources and it all gets back to the core question which is a declining margin. But we've chosen to focus our resources on reducing takeout to customers who quite frankly are going to respond to that reduction in takeout more favorably than others.

Maury Wolff: Your track is a beautiful example of how complicated the market has become because takeout reductions are no longer just an individual track's game, they pervade throughout the system and of course when Keeneland reduced its takeout a few years ago all hell broke loose. It is what happens when the pricing is ignored for as long as we've ignored it and distribution systems are complex and you get so many different parties with votes on that issue. If you play a trifecta on Churchill Downs here, you pay nothing, is that what you pay at Woodbine?

Nick Eaves: We've got an additional levy on top of our track for takeouts, so we're up over 25%.

Maury Wolff: And the reason seemed to be that, again, you've got so much money designated through the—I assume this is provincial legislation?

Nick Eaves: It's a breeding program.

Maury Wolff: Ok. Even Woodbine which has as good a control as anyone in this business probably has of the product is kind of...

Nick Eaves: Yeah, and you've identified an example of a product where our takeout is simply too high. The reference is timely because we've been trying to work hard to manage that issue

and we've not been able to. So it goes back to the starting point of the various challenges which is, in some ways, of our own doing and in some ways regulatorily imposed, but we need to be able to be responsive to those pricing pressures that are going to keep coming out.

Bob Seefeld: Maury, if you had fixed-odds betting the takeout would probably be 10% which would certainly reduce the takeout dramatically and probably bring a lot of people back into the Win, Place & Show betting because it's a lot easier to handle.

Maury Wolff: And fixed-odds really is the way to lower your takeout because otherwise you're going to be lowering a lot of other things. When New York did it, it cost them a lot of money; Keeneland did it, and it should be lower, but the fixed-odds is the way to do it.

Dave Johnson: Want to talk about fixed-odds and lowering the takeout, combining those two?

Nick Eaves: The industry has to be looking at all of those solutions, in my mind. Just keeping where we are with the same old pari-mutuel, at the same pricing level with the same challenges in terms of the participants as a non-starter, so if there's a fixed-odds solution in the mix I think that's...

Maury Wolff: Bobby, let me ask you, talking about fixed-odds, are you talking about being ready to bet against a horse like the Betfair situation?

Bob Seefeld: Well the Betfair system's great but I think in this country you're going to have to maybe start with fixed-odds. But the biggest advantage that Betfair has is betting within the race and that's all new money. I've seen it work, it works, and the betting—once the race starts, you get rid of past posting—that's all fresh money that's bet on the Betfair system during the races.

Nick Eaves: We haven't offered a new bet type in years. Whether its in-race betting, there are so many good examples out there, many within the fixed-odds world, how much of it is new business is somewhat debatable, but those are clearly issues that the industry needs to be considering.

Maury Wolff: No argument here. The more products you have, the more interesting you'll make the game. Betting during a four and a half furlong race or a quarter horse race is problematic, but it would be fine if you're talking about something that might generate interest in distance racing.

Dave Johnson: One of the things that Bobby brought up is the past posting or the perception of bettors that things are going on after the gates open, and we're going to cover that in another

panel, so in our final minute here I'll ask one more question. If you could snap your fingers and change one thing, either from the player or the racetrack side, what would it be?

Nick Eaves: Expectedly, I would snap my fingers and the industry would have regained control of the pricing and distribution of its system and, my view is, the player would be better off.

Dave Johnson: And do you think you can do that?

Nick Eaves: I don't know. It's a tall, tall order.

Dave Johnson: And you'd need government help to get it back?

Nick Eaves: We have to start with industry help, the industry working together to try and affect that outcome.

Dave Johnson: The industry has not worked together, has it?

Nick Eaves: It has not. So, we can all talk about all the problems and limitations and barriers or we can try and get at it.

Dave Johnson: Maury?

Maury Wolff: I think if I could do one thing it would be simply to let racetracks experiment with anything they wanted without needing the approval of any agencies to implement them.

Dave Johnson: Thank you very much, let's thank our panel. (Applause)