

ACCOUNT-WAGERING HANDLE REACHES \$13 MILLION

MONROVIA, CA – The three operators of Advance Deposit Wagering (ADW) systems in California collectively handled about \$13 million over the Internet and by telephone during the first 51 days of operation beginning January 25, or roughly 3.5 percent of the total California handle during that period, the staff of the California Horse Racing Board reported to racing commissioners Thursday during the monthly CHRB meeting.

XpressBet, the only one of the three operators accepting wagers from California account holders on thoroughbred races run at Santa Anita Park and Golden Gate Fields, handled slightly more than 70 percent of the ADW handle. TVG, which accepts wagers on quarter-horse races at Los Alamitos, handled 25 percent. YouBet.com, which began its ADW operation a month after the other two and accepts wagers on Los Alamitos, handled just under 5 percent. All three operators accept wagers on out-of-state races.

The ADW handle through March 17 produced more than \$600,000 for purses, \$50,000 for owners and breeders, \$600,000 for racetrack commissions, and \$570,000 for the three ADW operators. ADW does not appear to be having any significant impact on the California on-track and off-track handle, as total handle so far this year is essentially unchanged from 2001 and total California attendance is down a fraction of a percent.

XpressBet Vice President Edward Hannah, whose own figures showed \$15.6 million was wagered through all ADW systems through March 25, said that after increasing rapidly the first month, handle has leveled off the last few weeks.

Commissioner William Bianco noted that "most retail sales are flat right now," and suggested that ADW figures might simply be mirroring the U.S. economy.

CHRB Chairman Alan Landsburg reminded the operators of the need to hire California labor for their ADW systems. He joined with the other commissioners in approving an amendment to the YouBet license allowing pari-mutuel clerks represented by Local 280 to staff a new live-operator telephone wagering service from the Woodland Hills location beginning sometime after April 1.

In order to offer ADW services, an operator must have agreements with the racetrack and horsemen. Magna Entertainment Corporation (MEC), the owner of Santa Anita, Golden Gate, and Bay Meadows, operates XpressBet and has exclusive rights to provide ADW for races at its three facilities. MEC negotiated an agreement with the

TOC.

TVG and YouBet must negotiate and sign agreements with Hollywood Park, Del Mar, Fairplex Park, Oak Tree at Santa Anita, and horsemen before they can offer exclusive ADW for those racetracks. The Hollywood Park meet opens April 24.

"There are seeds to an agreement, but it's still open at this point," said John Van de Kamp, president of the Thoroughbred Owners of California, about those negotiations. "I hope we have an agreement. We don't have one yet."

Chris Korby, executive director of the California Authority of Racing Fairs, said CARF is continuing discussions with all three licensed operators to offer ADW on California fair races.

TVG Vice President John Hindman reported that Adelphia Cable will begin providing TVG Network programming this Monday to its digital customers in many Southern California cities, including Los Angeles, Beverly Hills, Santa Monica, Hermosa Beach, Redondo Beach, Manhattan Beach, Anaheim, Ontario, Pomona, Newport Beach, Santa Ana, and Fullerton.

Hindman said TVG is "launching a new look" that will include more shots of horses in the paddock and post parade and more graphics information, including continuously updated odds and mutual payoffs on two ticker lines at the bottom of the television screen. Additionally, TVG is inaugurating a new show that will feature Los Alamitos quarter-horse racing on its network, and is working with Los Alamitos to improve the quality of its nightly television program for simulcast outlets.

Last Saturday, XpressBet sponsored a three-hour live television program of horse racing from Santa Anita and Golden Gate over KDOC, a Long Beach television station that reaches an estimated 5 million homes in the Los Angeles area. Hannah reported that XpressBet has exercised an option to continue sponsoring these shows each Saturday through April 20 for the rest of the Santa Anita meet. He said XpressBet will promote these KDOC broadcasts in the Daily Racing Form and radio and television advertisements.

In other business, the CHRB investigative staff and racetrack representatives reported on tighter security in the stable areas. These efforts include increased security patrols and the installation of sophisticated surveillance cameras at the entrances to some stable areas.

Commissioner Marie Moretti praised the racetracks for "taking another among the first steps we keep talking about in this industry." Commissioner John Harris encouraged all racetracks to "get whatever technology is out there" to enhance existing security efforts.

San Luis Rey Downs Training Center will be treated equally with Fairplex Park under a

new agreement for off-site stabling that provides \$1.5 million to each facility through April 30, 2003, reported Van de Kamp. Previously, horsemen at SLRD received starter fees when horses stabled at the training facility shipped and raced at California tracks. Those starter fees, which totaled \$400,000 last year, will be discontinued. The resulting \$1.1 million increase in funding to SLRD will be used toward a reduction in stabling rates at the facility.

Executive Director Roy Wood reported the CHRB is continuing to work with the industry for a solution to the high rates that horsemen are paying for workman's compensation insurance. He said another meeting of a special ad hoc committee is scheduled Friday morning. Jack Liebau, the president of Santa Anita, said a bill is being drafted to try to deal with this problem, but the details have not been worked out.