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CHRB NEWS RELEASE

OCTOBER 2, 2012

CHRB REVIEW FINDS NO ADDITIONAL TAKEOUT ERRORS

SACRAMENTO, CA – The California Horse Racing Board has determined that no bettors have ever been shorted in Pick 5 payoffs due to takeout errors since the introduction of the popular wager in April 2011.

The CHRB conducted its review after being notified September 17 of a payoff discrepancy at Emerald Downs involving the Pick 5 at Fairplex Park. Emerald Downs posted an incorrect \$1,118.15 payoff, while Fairplex correctly posted the payoff at \$1,282.50. The CHRB quickly determined that Sportech, the totalizator company for Fairplex, had mistakenly applied a 25.02 percent takeout for such wagers made in the State of Washington instead of the proper reduced takeout of 14 percent.

There was only one winning Pick 5 ticket sold in Washington up to that point of the Fairplex meet, and the error was identified prior to the winner leaving the window, so the correct \$1,282.50 was paid out.

The CHRB then required a review of all takeout rates for the Pick 5 applied for all wagering jurisdictions since April 2011. The review confirmed this was an isolated incident. In addition to Sportech's own internal review, the California Horse Racing Information System (CHRIMS) ran a check of its data base and concurred that the proper takeout rates had been applied in all other wagering jurisdictions for all California race meets offering the Pick 5.

Scrutiny of takeout rates has been stepped up by all involved parties to reduce the likelihood of a similar error, and Sportech is working on an automated verification system that should completely eliminate the possibility of this happening again.

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