



Race Track Industry Program

**36th ANNUAL
SYMPOSIUM ON RACING & GAMING
TUESDAY, DECEMBER 8, 2009**

Keeping Up With the Joneses

Moderator:

Steve Barham, Associate Coordinator, University of Arizona Race Track Industry Program

Speakers:

David Climans, Climans, Green, Liang Architects, Inc.

Tom Cosdon, Horsemen's Track and Equipment

Tony Fontaine, ProPick Racing

Todd Gralla, Populous

Brent Matthias, Daktronics

Mark Ottman, EwingCole Architects

Michelle Penna, Manager of Business Solutions, InCompass Solutions

Mark Thurman, President, CHRIMS

Evan Trommer, Attention to Detail

Mr. Steve Barham: — time's on everybody, so what we wanted to do is give them an opportunity to talk about their products, their services, those new things that you ought to stop by their booth and see and talk to them about.

So what I'm going to do — we've had 10 of the exhibitors that have expressed the desire to do this — I gave them a limit of five minutes. Some of them have PowerPoint; some of them have some DVDs. They haven't rehearsed this, so it's one of those things that we're going to give it a shot.

I'm going to call their names, the name of the company up. They're going to come up, give their talk, go away — not go away, go down and sit again — and I'll call up the next one, so it's going to be kind of a rolling thing. The guys back in the AV are saying I'm nuts, so if it messes up, my fault, not these guys or those guys, but we wanted to give these vendors that have stuck with us, again, some extra time to be able to talk about their products.

So first of all is ProPick Racing.

Tony Fontaine: Thank you. I don't have a PowerPoint, but I'll do the best I can.

You know, I think there's basically three kinds of gaming. One is the really easy stuff that's brainless that kind of gives you a little bit of a return with a chance of maybe hitting some big bucks, and that's something that just kind of churns away in itself. It's a slot machine or a lottery.

I think the second kind is basically something that's fairly simple to understand conceptually but gives you the ability to learn more and get better at the game, and I would say poker is an example of that.

I'd say the third one is horse racing, the state of horse racing today, and that is it's a great game but it's difficult to understand how to bet and it's even more difficult to really master it. I think that's something that has to change in order for the industry to survive because in the end, if it doesn't change, you basically feed upon your existing people who know the game and you get diminishing returns because of the competition with other forms of entertainment.

My name is Tony Fontaine, and I'm with ProPick Racing, and our ideal is to be a technology company which simplifies all of the aspects to get into the sport of horse racing and especially wagering. Our goal is to provide technology to other companies, other ADWs, race tracks and OTBs that will facilitate newcomers in the game.

We're in Booth 10, and what we're displaying there today is our automated account wagering kiosk and registration. The goal here is to put a kiosk into new venues to expand the reach of the traditional race tracks and OTBs. We look at following the French model, and if you look at what they've done in France, they've put OTBs into social areas, and they give automated picks so that it makes it easy. A person can not have to understand everything that they're doing but can become involved in the sport.

What we offer is something very similar to that that we've done with the New York City OTB. It follows all of the regulatory requirements of remote registration, so when you see something like this, it involves a bar or tavern owner. We're also doing the same thing in Nevada, so with that, you would have signage pointing to it and it would say it's very simple to have. You just have a kiosk on the side, and you have racing going, which immediately draws people to it. Perhaps the bartender says, "It's really easy; just do this."

When you come to the booth you'll find it's extremely simple. We have a driver's license scanner that scans the information from your driver's license, takes a picture of your driver's license and takes a picture of you, so that's on file for regulatory. At that point, you've put in the last four digits of your Social Security number. It doesn't display because you don't want people to know, and people are really cautious about putting their whole Social Security number in. We use LexisNexis to authenticate the information from the driver's license and fill in the rest of the Social Security number. We then ask you to please put a signature in because many regulatory jurisdictions require a signature on file. At that point, you

simply slide a credit card, and you have opened an account. The entire process takes about a minute and a half to two minutes.

Now the key is you have an account, but you have somebody that probably doesn't know very much about horse racing. Everyone here is familiar with handicappers and touts and the concept that you go to a site and find somebody somehow that you can trust to do some handicapping for you, then you go to an account wagering place and you place a wager. What we have done is assemble really a spectacular group of handicappers under Rich Eng, who wrote the book, "Betting on Horse Racing for Dummies," okay, so you'd have signage for betting on horse racing for Dummies, which immediately pulls people in. In fact, Rich will be doing a book signing today in our booth at 6:00 after the sessions are over.

The point being is what we've done is integrated someone that you can trust, someone with a recognizable name and someone with stats behind it directly into the tote, so now, if Rich says, "I want this Pick 3," which is a rather complicated bet, all you have to do is look at what Rich says. Rich says, "I like this Pick 3 because this horse is the best in his class in the first race. I like these two horses in the second, and I actually like — I don't know in the third, so I'll just take the field," right? You don't have to do much more than say, "Okay, bet." The bet is confirmed and then it goes off to the tote, and you can watch the races right then and there.

The account that's created on that kiosk now has drawn a person in. They hold that account. They can go home and place a wager either by Internet or on the telephone, so now you've increased your exposure into a local area from bricks-and-mortar onto the Internet.

But that's only part of it; the other part is gaining the media exposure so that people who are not directly involved in horse racing begin to understand the sport much better, and that's why in our booth we're with Players Network, which is one of the top media companies in Nevada — probably not well known out of Nevada — but they have over 15 years in gaming experience, and they understand one thing that I understand as well and that is that horse racing today has an undeveloped monopoly on Internet wagering that we really aren't taking advantage of because we aren't approaching new customers.

So please come by our booth; it's Booth 10. Take a look at the new technology that we'd like to provide, get a book on "Betting on Horse Racing for Dummies" from Rich Eng, and learn how we can do this sport a lot better and get a lot more interest from newcomers.

Thank you.

Mr. Steve Barham: Okay, the next company is RaceBook Agent. They scratch. They always said I wouldn't be a good racing secretary. I don't take long.

Daktronics.

Mr. Brent Matthias: Hello, I'm Brent Matthias. I'm with Daktronics, and some of the things we've been working on over the past year or so to help improve some of the products are energy consumption, being green; that's a lot of things that people are really looking for we've taken into some of the new LED technologies to help reduce power usage.

That's been a key factor in a lot of areas for us, as well as a lot of cost reduction technologies, and that's when we work with a lot of the leading semiconductor manufacturers, LED manufacturers, to provide the best product with longevity as well as a good value cost.

Some of the other things that we've been working on are some freeform video elements for some of the facilities that are going through some new refurbishing of their exteriors and things like that or building new facilities. We've got some new products that fit into the architectural lighting area that can provide a video quality type image on what we call a freeform structure, so that's something that's just not your normal flat structure that is a normal video display; it's something that's maybe curved, rounded, any type of non-uniform surface.

Those are some of the new technologies that we can discuss if you want to stop by our booth. We're right in the middle. If you want to catch up on any of the storm information, we've got a cable TV feed to help keep you posted as well as Heisman Trophy running. We see that one of my favorite players, Mr. Suh from Nebraska, is getting some number one ranks for the — yeah — for the Heisman Trophy, so that'd be pretty interesting.

So anyway, stop by our booth over the cocktail hour if you need a koozie or something like that. We're handing those out as well, so feel free to come over and talk to any of our people we have there.

Thank you.

Mr. Steve Barham: InCompass.

Ms. Michelle Penna: I need the jockey level. Thank you.

My name is Michelle Penna. I'm the Manager of Business Solutions with InCompass Solutions. We are a technology company that handles the racing office software and horsemen's bookkeeper software at all the race tracks in the U.S. with the exception of the state of Nebraska and Canada.

We also support industry initiative software such as the Jockey Health Information System, the Equine Injury Database that I'm sure many of you have heard about supported through the Jockey Welfare and Safety Summit, and then we have a module for the vets which is called the Pre-Race Exam Module, which they can monitor the horses before they go to the races and scratch any horses that need be

and keep track for other vets around the country in order to see what this horse did at the last track they ran at.

We have some new modules for tracks as far as gate crew, and we also have Breeders' Cup and Quality Road not wanting to go into the gate. That's a very helpful module that's also shared throughout the country with the tracks and the gate staff, and they can see what this horse does when they bring them to the gate and whatnot.

We're in Booth 3. I'm not going to take any more of your time. Stop by and we can give you a demo of anything in our system.

Thank you.

Mr. Steve Barham: EwingCole

Mr. Mark Ottman: There it is.

Okay. I'm not going to take a whole lot of time. I know everyone's probably anxious to get to happy hour.

My name's Mark Ottman, and I'm with EwingCole Architects. About three years ago, I left my small interior design practice in Boston to join EwingCole, and there I started working with Don Dissinger, who some of you may know, and we basically develop casinos and racinos.

For those of you not familiar with EwingCole, we're a multi-discipline architecture and design firm that includes architects, planners, engineers, full engineering structural engineers, and interior designers and lighting designers. We have a long history of race track design that includes projects like the Singapore Turf Club, which some of you may have heard of — that's another picture of that — Yonkers in New York; this is Zia Park in New Mexico, and this is the Kentucky Horse Park. It's not a racing facility, but it's an equine facility. That's just to name a few; there are a lot more.

Now, when I joined EwingCole three years ago, they were in the process of designing Harrington Raceway, and I was involved in designing the interior of the space, so these are water features that we designed and a buffet.

The important thing about racinos, as many of you know, is that beyond the racing, the interiors really have to work with both the gaming patron and the racing patron. Really, the way to do that is to find common denominators, spaces that both groups will frequent.

The next project I worked on at EwingCole was in Calgary. This is for the United Horsemen of Alberta, and this is a modern stand-alone from the group-up racino. It's not a project where, in the original racinos, it was basically stuffing a slot parlor underneath the grandstand; this is sort of the evolution of that, and it's really fully

integrated so that the gaming patron and the racing patron have a lot of common features. In this one, for example, you'll see there's a large music facility, and inside there's a nightclub and there's a lot of retail planned with this. Unfortunately, this project is on hold. They have problems with water issues, and as Mark Twain famously said, "Whiskey's for drinking, water's for fighting over."

This is Magic City Casino in Florida, and this is actually a dog racino, not a horse racino, but they opened this month. The first phase opened earlier this month or in November, and they're doing fine. This is parts of it, the outdoors.

This is The Downs at Albuquerque. It's another ground-up racino and that same sort of model where it's fully integrated. This is the inside of that.

And finally, we're at the moment working on a project at Hialeah in Miami. Many of you will recall Hialeah. It's very famous. It's been around for 100 years. Recently it fell into disrepair, and we're working with the owners to get racing started again. As part of this, the long-range plans are to expand all the amenities to this, and you can see on the right is where the grandstands end and on the left is the new casino with a hotel and a bunch of other things, so that's a project we can talk a lot about. If any of you are around on Thursday, my partner, Don Dissinger, will be on a panel on racino design, and he'll be talking more about this.

So if I can add anything else, one of the services that we provide is master planning, and I'm a firm believer in measuring twice and cutting once, so the more you plan now during these hard times, the better off you're going to be when times get better.

On that, I'll say thank you very much, and visit us in the booth if you have any more questions. Thank you.

Mr. Steve Barham: And next up is Climans.

Mr. David Climans: It's the previous slide.

Mr. Steve Barham: That's my fault somehow.

Mr. David Climans: There we are. Thank you.

My name is David Climans, and my company is Climans Green Liang Architects, Inc. We're based in Toronto, Canada.

My firm was established in 1988, and it's a full service architectural firm offering master planning, architecture, interior design, engineering and construction supervision.

For the past 10 years we have specialized in race track and gaming design, and we've completed and are currently working on numerous projects in the United

States, Canada as well as the Caribbean. Some of these projects are depicted here on this collage.

Our most recent project, which opened in April of this year, is The Meadows Racetrack and Casino in Pennsylvania, and we're featuring this project at our booth, Booth 16. You can look for these images at the booth, and I would be more than happy to talk to any one of you in terms of how we can assist with any of your race track design needs or your potential integration of gaming machines at race tracks, so thank you very much.

Mr. Steve Barham: Populous.

Mr. Todd Gralla: Okay, now notice I don't have anything in my hands because the changing of the slides is going to be magic.

I'm Todd Gralla. I'm with Populous, our global planning and design practice with 11 international offices, including Hong Kong, Singapore, Brisbane, London and a new office opening soon in Rio.

We're very well known. Populous is incredibly well known for professional sports venues, and our former name is HOK Sport. It became Populous at the turn of last year. We're incredibly well known in the professional sports area for NFL, NBA, professional baseball, soccer, NHL venues, and also we're very well known for our Olympic work. Populous via our London office is providing the design services for the permanent and overlay facilities for most of the venues for the London Olympics, including the upcoming equestrian venue development, which is a temporary 36,000-seat stadium.

Perhaps one of the — I have some video maybe — we're a little bit less known in the equestrian industry, specifically racing. Nevertheless, we have a really vast variety of experience with our staff having combined experience of more than 50 years working on race tracks.

Some of our recent project successes include the Royal Ascot, the new clubhouse there, which is a phenomenal facility, as well as master planning and overlay design and credentialing for the Breeders' Cup for the past three years, and the new master plan for Keeneland. The interesting thing about Keeneland is that we were not selected based on our experience with racing or equestrian venues. We were requested to work on that project because of our experience working with professional sports franchises and the unique aspect that practice brings to creating experience for the guests and creating atmosphere in a unique venue.

We currently have a number of projects, even given the state of the world economy, on the boards right now, including Marabet, which is an international race course outside of Cairo, which is the first race track in Egypt in the past 50 years, Phu Tho Racecourse in Ho Chi Minh City in Vietnam, and also the Golden Horse Racecourse in Chengdu, China.

What's unique about all these projects are that they're part of very large integrated entertainment real estate experience destinations, which is going to be something that will be talked about Thursday morning at 8:30. My associate, Russ Simons, will be participating in that. It's entitled, "Making a Race track Work as Part of a Destination Property."

Russ's background is not actually architecture; it's in facility management and operations, and he runs our event credentialing, mystery shopper and our guest experience practice in which our clients are most of the NFL franchises, NHL, professional baseball and also most of the leading collegiate sports enterprises in the United States, so I think you'll find that if you attend that that he brings a really unique perspective to venue development and project development which is really greatly needed in our industry.

So please stop by our booth tonight if you can. We're very easy to find. We're right by the bar, so if you stop by I'll be happy to buy you a free drink.

Thank you.

Mr. Steve Barham: Horsemen's Track and Equipment.

Mr. Tom Cosdon: Could you start the video, please?

My name's Tom Cosdon. I'm with Horsemen's Track and Equipment. I'm a sales engineer. We travel all over the country. We have race tracks that we've worked for all over the world.

This is our rider protection railing — all aluminum. I think it speaks for itself. Talk to anybody that has it; you will find out that it does the job it's supposed to do. It protects the rider. We had it engineered to the max.

We sell all kinds of equipment. What I'm trying to show you today is some of the better pieces of equipment that is safety-minded equipment. These are pieces that we've just come out with in the last couple of years. Our railing has been out now probably 10 years, and it is, like I say, at some of the most popular tracks in the country. All you have to do is ask anyone if they have one how they like it; they will tell you.

Come by our booth. We'll give you a CD. As you can see, it's being kind of tested a little bit here. Watch this — rider protection. We can't stop the horses from breaking down, but we can sure help the fellows that are riding them. They're our friends, and they've kind of joined in with us to try to get these things around the country.

The next thing you're going to see is a magnet. We drag these. They can be fitted to your pieces of equipment or we can sell you a brand-new piece of equipment, but these will be put on your harrow and floats and things like that. You can not

imagine what will come out of your race track. We found people. We found keys that I lost 20 years ago.

But really, truthfully, these things are being thrown back at the riders, thrown back at the horses, putting out eyes, injuring riders, injuring horses. This comes out of the track, and it's very simple. Just drop it down, drag it around the track, and watch the stuff come up. I mean, this is probably one of the newest pieces that we've come up with. It's an old idea, but we've kind of brought it to the fore.

As you can see, it fits on track conditions, track harrows. How about that? A training track, one training track, in Kentucky, by the way.

The next piece we're going to show you is our telescopic boom, after we show you a bit more of this. The telescopic boom has been invented and been around a long time, but we've kind of brought it to the forefront with a bit of technology, and the person that you see in the next photo will be Jon Court, who spoke here just a little bit earlier. This is how the telescopic boom works.

You can see it works in three phases. It's connected to the post. It pulls out, a one-man job, and puts back in the same way. It comes out approximately 3,000 feet; no, truthfully, maybe 60-something foot.

You can see this happened at Churchill Downs. This is Jon riding a two-year-old who decides he doesn't want to do what he's supposed to do. It kind of kept the horse from going the wrong way. No accident; Jon got up unharmed. As I spoke with him a few minutes ago, he was thankful that it was there.

We feel that every race track needs one of these. You can see what would happen if the horse had gone off to the left, had gone down the lane, run into the horses coming his way or her way, and it's ugly. It'd be a no-contest for the race track, so you'd have to give all the money back. Injuries are beyond control, so we feel this piece of equipment's very, very important to the race track. As you can see, the horse travels on down the backside, eventually picked up by the pony boy. No one was injured; thank goodness Jon was okay, here speaking today.

The next thing we're going to show you is our new mile markers. The finish lines, quarter poles, 16th poles, 8th poles, we call them Styrolite. They are made from Styrofoam, and they have coatings. These are some that we have at Keeneland they're very proud of. We can make them any size, any color, any shape that you wish. All we need's a little time. We just sold 54 of these to Dubai to put in their new race track over there. We have them at Keeneland, we have them in Maryland, we have them in quite a few of the larger race tracks.

Please come by and see us at Booth 7. We've got plenty of things to give you and things to show you, and all we want to do is keep racing safe.

Thank you.

Mr. Steve Barham: CHRIMS

Mr. Mark Thurman: I always get the exciting subjects of accounting and technical stuff. My name's Mark Thurman. I'm the President of CHRIMS, and I've been in the business for way too many years.

We do what I would call follow the money, and what we do is pari-mutuel accounting and a lot of other different kind of managerial database work. Primarily what we've done in the last year is we've really expanded into actually doing the settlements. We have the software to do settlements, and we've been involved in California for probably over 25 years and we've expanded out into all over North America. We do race tracks in Florida. We do NYRA now; we've got race tracks in Kentucky.

What we've done is we've re-done our database application so that we can really do the full-scale accounting that you need and actually save you a lot of time. In this kind of business, everybody's trying to save money, and that's what we do is we try to save people money.

The kind of applications that we have if it's a settlement system is, again, what's interesting with our business is we've got some of the most complicated accounting that's out there. When we start getting into simulcast accounting for those of you that ever have to deal with it with the sharing of signals going back and forth and the settlement of that cash, that's what we do for a living.

And for everybody that's in this business, cash flow has always been a problem, so one of the things that we do is we have an aging report that actually tells you at any given time how much money you have outstanding and who owes you, which helps you with collections and everybody's struggling right now to get everything paid.

In this last year it became even more prevalent with the bankruptcies that we've experienced, and that even made it more important doing what we do.

The other thing that we've done which is interesting this last year is a lot of the bigger corporations have required a SAS 70, so we've stepped up and done a SAS 70 audit of our system.

For those of you that haven't been by our booth, we're giving a Wii away this week to somebody that comes in and gets lucky. You can come see; I think we're at Booth 6.

The other major project that I've been working on for the last year that's finally starting to move that you guys may very well be interested in is we're looking to help promote the building out of a national credit union that would work with—on the settlement side it would work with the horsemen as far as like the settlements back and forth on the horsemen's book, and it can also be used within the account wagering world.

So that's a real brief thing of what we do, and if you want to stop by, we can give you further information.

Thanks.

Mr. Steve Barham: And the final in the field is Attention to Detail.

Mr. Evan Trommer: Thanks for staying until the bitter end. I guess I'm the only thing between this and cocktail hour, so I'll be brief.

I'd like to address all the folks here, including my fellow exhibitors. We're Attention to Detail Promotions, and we sell anything you can put your name on. We specialize in casino and track promotions, but we also work with gift shops to do retail and we do retail consulting as well.

We're in Booth 17, and we'd sure appreciate you stopping by so we could give you a line card.

We're also in your program under Exhibitors, and if you could pass our information along to people that would handle this type of promo at your track, we'd sure appreciate that.

We try to come up with a number of different items that are going to stay out in your customer's focus, not just something that's going to get thrown away or put in a drawer, so we try to come up with neat promos for the tracks and for the casinos.

My family are also horsemen. We have horses across the United States, so we really know the industry, and we can come up with a lot of fun things to get your company noticed.

I just want to demonstrate one of them. We're doing a lot of things with sound bites. This is something that's a folder that you'd put media in, but also it does a sound bite when you open it up, so it's something that would stay in front of customers and get shown around a lot.

We do a lot of work with metal and with wood products as well that are fairly inexpensive but, again, get you noticed and something that your patron or your customer would keep.

So drop on by, we're in Booth 17, and thank you for your time.

Mr. Steve Barham: As a faculty, we bet that we could get that done in time for the cocktails, and I appreciate all the exhibitors actually keeping it to the time limit and sharing with us.

The exhibitors are really special to us. They're a revenue source. This symposium is a revenue source for the Race Track Industry Program, and while the attendees

contribute, sponsors contribute, so do the exhibitors, so make sure and stop by all the booths. Those of you that have a need for their product, buy a whole lot so they come back again next year for us.

The cocktails should start at 6:00 so, with that, we'll close the day.

Thank you.



**COURTESY OF UNIVERSITY OF ARIZONA
RACE TRACK INDUSTRY PROGRAM**