



Race Track Industry Program

**37th ANNUAL  
SYMPOSIUM ON RACING & GAMING**

**WEDNESDAY, DECEMBER 8, 2010**

**NTRA MARKETING SUMMIT**

**MODERATOR:**

**Eric Wing**, Senior Director of Media Relations, NTRA

**SPEAKERS:**

**Stanley Bavlish**, Thoroughbred Racing Handicapper

**Keith Chamblin**, Senior Vice President, Marketing & Industry Communications, NTRA

**John Della Volpe**, Founder and Managing Partner, SocialSphere, Inc.

**Mr. Eric Wing:** Okay. Next up is marketing, and to lead us through what should be a very lively and even exciting, if I might say, session, is Keith Chamblin, who's our senior vice president.

Keith oversees a number of areas at the NTRA, including web strategies, national consumer promotions, advertising, PR, membership and also industry relations, and a couple of areas Keith will be leading us through as well as his fellow panelists include our Web 2.0 strategies, which I'm guessing are pretty close to becoming Web 3.0 the way that area moves and evolves, and also the National Handicapping Championship which it's amazing to say, but it's almost as old as the NTRA itself. Anyway, here you are, Keith Chamblin.

**Mr. Keith Chamblin:** Thank you, Eric. I think some of you, or many of you in the room might know, but I want to let everybody know that Eric is our senior director of NTRA Communications, works out of our New York office, and he and Joan Lawrence are what we call two of the unsung heroes at the NTRA. They work 365 days a year to promote coverage of the sport of Thoroughbred racing and horse racing in general, and they do it in a variety of different ways, whether it be through story pitching, just one example I'll give you is Zenyatta on 60 Minutes.

That didn't just happen, that was a lengthy six, eight month process that led to almost 15 million people viewing Zenyatta's piece on 60 Minutes. It involved not only Eric and Joanie, I wish we could take all the credit for it, but we can't. They worked with three different PR agencies, two based in California, one based in Massachusetts, over the course of that time period, to pitch and promote Zenyatta, not just to 60 Minutes but to other media outlets throughout the course of the year, and of course it all came to a crescendo that couple of weeks leading up to the Breeders' Cup in November. And of course, the most important person or entity involved in all of that was not only Team Zenyatta, but Zenyatta herself,

who was just a Madonna, a Lady Gaga-like figure that caught the fancy of media, not just throughout the country but worldwide.

So, they do that all the time, with other stories, whether it be things like the three young owners that won races on Breeders' Cup day and had a blog written on ESPN.com about them, but many other stories.

They're our media service bureau. They help turf writers and trade press media virtually every day of the year. They're involved in our crisis communications, as Alex alluded to in his opening remarks, whether it be Barbaro, Eight Belles, or other events including future events, because we know there's going to be other crisis events that occur going forward.

Both Eric and Joanie play a key role, and of course they also do the blocking and tackling behind the scenes that includes ongoing media relations, whether it be editorial meetings with the New York Times, USA Today, Sports Illustrated, major website portals, they're there. They're advocating on behalf of coverage of horse racing, so I just wanted to thank Eric and Joanie for the job they do. It's a critical component of the overall marketing strategy at the NTRA that I'm just going to spend a couple of minutes touching on.

Then I'm going to invite Stanley Bavlisch, who's a tournament player and former National Handicapping Championship winner, to talk for a few minutes, and then John Della Volpe to talk about Web 2.0 strategies and how we might integrate social media even further into horse racing going forward.

So, I'll move pretty quickly through these slides, but in addition to NTRA communications, for more than a decade we've utilized a variety of marketing programs to reach existing customers and emerging racing fans. They include high quality, award-winning TV, radio, print advertising, that's still available to all our members at the NTRA or on a member website. We have customer service programs including videos and brochures that we provide to all our members.

We've got fan education brochures and videos that we produced, and of course we've got Web 2.0 programs. John's going to talk a little bit more to that in just a moment, but it includes a co-op program that is available to all members, either racetracks or horsemen's groups.

I'm also going to — you know, a big part of what we do is our website at NTRA.com. We've recently revamped our website, re-skinned it, entire new look. We used a company, and we were able to — Collabor, Inc., they're a company that's affiliated with John's group, SocialSphere, and through savings and some synergies with what we did with Collabor, we were able to pass some of those savings along to our members. I know Illinois THA, Mike Campbell, utilized Collabor and the template for NTRA.com to produce a new website for the Illinois THA at a very cost-effective price for the horsemen in that state.

So, those are some of the kinds of programs that we're working on. I think most of you are familiar with NTRA.com. We get about 16.5 million page views per year.

Features, news, video replays, information, blogs including a very popular blog by Alex that he's been doing for more than two years, now.

We have live webcasts of major races, those are broadcast-quality webcasts we introduced earlier this year, called NTRA Live. They feature Randy Moss, ESPN and NFL network racing analysts, and if you didn't know that you were looking at a computer, you would swear that

you were looking at a broadcast quality telecast on television. They're very well done, except they're even better than TV in some ways, because there's an interactive chat that Eric moderates right alongside the video component so that fans who tune in to watch events like Zenyatta's 17<sup>th</sup> record-setting career victory can engage with each other as they watch those types of performances in places all over the world.

I think on one telecast, it might have been that one, we had more than 40 countries tuning in to NTRA live to watch one of the webcasts. So, it's been very well received, and we hope to do more of them going forward in 2011.

We've got an online memorabilia store. We've got a fantasy racing game that's embedded into NTRA.com and a component that we think will help attract casual and a different type of racing fan, draw them into our sport.

We've got Facebook, we've got Twitter, we've got Flickr, social media tools all on there, and then probably last but not least, if you Google Thoroughbred racing, the very first site that pops up over the last couple of years is almost always NTRA.com. So, it's a major, major portal for target fans, casual fans, who are looking for information, they're looking for an avenue to come into Thoroughbred racing and be exposed to it, and then we send them out from there to all our member sites, which are quick links right off the home page of NTRA.com.

So, we're pretty proud of the website. We've got a lot to do. It can be a lot better, but we think there's a good foundation there going forward.

We also focus at the NTRA on the marketing front on national promotions. They started out primarily direct-mail related in the early 2000's. We had a \$1 million Mystery Mutuel voucher promotion that at various times was mailed to more than 1 million households around the country.

A lot of things happened, 9/11 affected Postal Service delivery. Prices went up, and online strategies became more and more important, more and more cost-effective, so that in the last couple of years, most of our promotions have moved from a direct mail strategy to more of an online, in an Internet-based strategy.

But, the single most successful promotion that we've done in my going on about 11 years at the NTRA has by far been the National Handicapping Championship. It has been just embraced by not only member organizations, pari-mutuel operators around the country, but even more so by customers. It has grown by leaps and bounds.

When we started in 1999 and culminated with a championship in January of 2000, the purse was \$192,000. We gave \$100,000 to the winner, Steven Walker who was from Lincoln, Nebraska, and he won the \$100,000 and the title of Handicapper Of The Year, and was honored at that year's Eclipse awards.

In that first year we had 42 organizations participate in the NHC. This year we'll have more than 100 organizations host tournaments around the country and online. We'll have 301 players congregate in Las Vegas in late January, and for the third straight year they'll be competing for more than \$1 million in prize money and a grand prize of \$500,000.

Horse racing doesn't have many trend lines that look like the line on that slide that's up there right now. It's really, the growth has been tremendous, and we think that there's more growth that can be had going forward. And as many of you might know, in

September of this year we announced plans that the 2012 National Handicapping Championship will carry a purse of \$2 million estimated, and it will give away a grand prize of \$1 million to one lucky winner from that field, which will be expanded from 301 players this January to what we believe will be about 500 players in 2012.

And importantly, for many of you in this room, is that participation is now open not just to NTRA members, but also to non-members. We're broadening participation for a variety of reasons, but we think it's the right thing to do for the players and to really unlock the potential of this promotion.

I'm also excited to let you know that earlier today we issued a press release that the *Daily Racing Form* has renewed its sponsorship of the NHC. They've been a founding partner from the beginning. We would not have realized the tremendous growth that we've seen over the last decade were it not for the support of the *Daily Racing Form*, and we're delighted that they'll be back for a twelfth year.

Lots of good things that are happening. Again, we think the whole key here is to unlock the potential and see where it takes us. It may not ever be as popular as the World Series of Poker, but 10 years ago we were giving away less than \$200,000.

Next January, we're going to give away \$2 million, and I believe that if we embrace this promotion, if we work closely with the horse players, of which Stanley Bavlisch who you're going to hear from in just a few minutes is a member of one of our players' committees. If we work closely with people on that committee, horse players all around the country, embrace the concept of tournament play that in the not too distant future we could be giving away upwards of \$5 million or maybe even \$10 million at the national championship each year.

The foundation and the components are in place to grow this much, much more than we've already done so. So, stay tuned.

Rather than me go on a little bit more about the NHC, I wanted to invite Stanley Bavlisch up. He's a 2007 National Champion. He won \$400,000 the year that he took home the prize, and of course, gave a great speech at the Eclipse Awards that year. He is not your stereotypical horse player, but he hits our research, every bit of research that we've done at the NTRA over the last 10 years with SocialSphere, he hits it to a T. I mean, he is highly educated, he has a higher degree of disposable income than a typical sports fan, he loves numbers, he loves to solve the puzzle that is pari-mutuel racing, and perhaps more than anything, as we've seen in research that we've conducted with John Della Volpe for more than a decade, he is incredibly passionate about the sport of horse racing.

So, I'd like to give Stanley just a couple minutes to talk to you about tournament play and the reasons why somebody like him likes to play in these tournaments. Stanley?

**Mr. Stanley Bavlisch:** It was \$406,875, to be exact. And, winning the National Handicapping Championship was a huge thrill for me, and Brisnet.com was every bit a part of my — no, that's the wrong — for those who haven't seen the commercial, that was done.

I'm just going to give you a little bit of background on myself. My education, I was Catholic educated with nuns, brothers and Jesuits, which explains my lack of fear but also my all-consuming guilt any time I win. I graduated St. Peters College really out of the campus of Monmouth, and Belmont Park. I worked for an industrial pump company called Dresser Pump, Ingersoll-Rand, a number of other names, through various mergers. I was

purchasing manager, production and inventory control manager over my 13 years with the company.

Twenty-two years ago, I opened my first Subway restaurant. I have owned as many as four, and now own two. I am part owner of a couple of other businesses, very successful. And what I've learned is, like many of your customers, I am well-educated, I am somewhat successful. I've met lawyers, doctors, teachers, business owners like myself that all share the same thing in common. We have a passion and a love of horse racing. These are your core tour players that are out there today.

I've been learning this game for 42 years, and one of the greatest events that has been created, as Keith said, is the National Handicapping Championship. It is the one thing that determines who the best is for a particular year, even if it's only for those two days. And I've got to tell you, it's the greatest thrill in the game today for a horse player. Having experienced it, there's nothing else like it. And I'm still living the dream. I'm up here before you today as an advocate for the NHC because of it.

Since our sport is naturally exciting, what we need to do, I believe, is to educate our target audience about the challenge, the fun, and the potential benefits of these contests. The residual effect for the sites holding the contests is establishing loyal customers that will play your tracks not only at the tournaments, like I do, but also at their betting facilities. Either that, or online. It's another example, obviously, of doing what the customer wants, which is what you should all be about. Your customer, which is me.

I travel to about 20 events a year on the NHC tour. Most of the hard core players do the same. My advice is to schedule your events in coordination with other properties close by, such as the likes of Keeneland and Turfway. They were very successful. You're going to get a lot larger turnout because people can save a dollar or two by scheduling their flights and having two events rather than one.

For you people that own more than one racetrack, my suggestion is to think out of the box and have a little tour within a tour, possibly. Churchill Downs, you know, have all of your sites have contests within for the person that goes to all of the different events that you hold, at Arlington let's say, at Churchill, at Fairgrounds. The one that has the most points gets some special rewards. This will create more interest, it'll keep your interest going through the life cycle, sort of a "Triple Crown of handicapping" within your own organizations.

For casinos and track owners such as Harrah's, I really don't understand how you can't coordinate with your own superiors to understand how much horse racing means to your customers. You really should be looking at coordinating events within the casino with your tracks, having tournaments that both can participate in, and cross-promote, for crying out loud.

You've got a poker tournament that you know is worldwide, now. Why you can't use that leverage and make it be so that the horse racing game is as big as, if not bigger than, poker, again it's a naturally exciting game. Poker is about the most boring thing you could do for 14 hours. But horse racing, everybody loves it. You know, you get passionate about it. You see the horses come down. You see Zenyatta run, everybody's pumped up. You know, you just have to find a way to capture that, and market it.

And again, the one thing that I'd like you all to take out of here is, think out of the box. The most important thing is support the NTRA, support the NHC, and support your customers. This is what we want. Give us what we want.

My dream is to see the NHC grow to be as big as the poker championship. My dream is to have a week in Vegas with multiple tournaments, cash, exotics, traditional, harness, dogs, let the sky be the limit. But, it all starts with you guys. Let's grow the industry by making more customers, learning what the customers want, and by giving it to them. It's a pretty simple formula that I think if you follow, you'll be successful. Thank you. I look forward to any questions.

**Mr. Keith Chamblin:** Thanks very much, Stanley. You can see what I'm talking about, he's pretty passionate about the game. Just to add to what Stanley said, in the last two weeks we've had an online tournament that was sponsored by West Point Thoroughbreds that drew 3,990 I think, online participants.

We followed that up last weekend with a tournament at Keeneland on Saturday that had 475 players, each paying \$150 to enter a tournament at Keeneland. Many of them, 325 then traveled up the road Saturday night or Sunday morning and entered a tournament where 325 entered to play at Turfway Park. That's nearly 8,000 participants in tournaments over the course of eight days.

So, the interest is there among the customers. We think it's going to be a terrific vehicle to help grow, promote the sport. We've got a lot of changes in store for next year. We've got a lot of different things we've got planned, and we hope that you will join us to what we're calling, "celebrate the player," going forward.

They love these tournaments, and we think they can only grow in the future. This serves as kind of a segue to our next speaker, who has got a big business card. He's the co-founder of SocialSphere Strategies. He's an Eisenhower Fellow, he's director of Political Polling at Harvard. He's a regular contributor on the Huffington Post blog, and he's considered one of the world's most sought after authorities on social media and Web 2.0 strategies. And, he's been a consultant at the NTRA for I guess it's probably more than a decade now, John that we've been working together. So, he's here to talk to us a little bit about integration of Web 2.0, social networking, and integration of those tools further into horse racing. So, I'm going to turn it over to John Della Volpe. John?

**Mr. John Della Volpe:** Thank you very much, Keith. When Keith asked me a little while ago to talk about what was new in Thoroughbred racing, in new and social media, because that's — I spend a lot of my time talking about what's new. I thought about that for a few minutes, and actually decided to take a different course.

I'm a big fan, as I know Keith is, of classic rock, and remember like, that's The Who from 1973. And what The Who said was, remember what The Who said, which is like, "Don't forget the past," right? The Who said, "Meet the new boss, same as the old boss." What I mean by that is, that before we talk about what's new, let's talk about what's old to make sure that the industry is caught up on what's old.

By this point in time, Facebook is now old. Blogging is now old. Twitter is now old. YouTube, Flickr, etc. So, before I talk about what's new, let's get everybody kind of on the same page and talk about how to integrate the most appropriate tools today into your businesses to grow from there, and then perhaps next year we can talk about what's new, Keith, if you'll have me back.

I want to talk about three things. First, I want to talk about The Social Network. By the way, it was a terrific movie. If you hadn't seen it, most of it was filmed right around where I work in Cambridge Square, in Harvard Square, and a pretty fair representation, I think, of the experience that we saw happening over the last five or six years regarding Facebook. I'm going to talk about that first.

Second, I'm going to talk about what I call the fifth estate of media, the Internet newspaper and the importance of that, and then third I'm going to talk about one of the examples of some work that we did along with NTRA as part of the co-op problem with Monmouth Park and some of the analytics associated with them integrating and spending a little time and effort on their social media Web 2.0 strategy.

But first, I'll talk about the social network. So, when you think about the rulers of the largest populations in the world, or on the planet, first of course is President Hu Jintao from China. China represents a population of 1.3 billion people, right? Second is Dr. Singh, leader of India, he has a population of 1.2 billion. Third leader of the largest population in the world is Mark Zuckerberg, right? A twenty-six, twenty-seven year old guy, dropped out of Harvard, and he now oversees a population of 500 million people, soon to be 600 million people, probably after the turn of the calendar. So, the most important place on the web today is Facebook.

Does anybody in here have a Facebook page? Anybody? That's good. The first time we gave this talk it was at the Eclipse Awards, Keith, I think there were like 30 million people on Facebook. We talked about that's going to be the new thing, and sometime there'll be 50 million people. It's now 10 times that, a half a billion people.

I'm going to talk a little bit about what we can learn from Facebook. I used the wrong clicker. The first is, you may not have realized that as of August, there are actually more people on the planet spend time on Facebook than they do on Google. So, everybody spends a lot of time on Google and has a strategy, perhaps, for search engine optimization. I know the NTRA does, that's why the NTRA is always number one when you search Thoroughbred racing. But, there's actually more visits and more time spent on Facebook around the globe than on Google. All right? So, there's just no excuse any more, I don't think, of having a Facebook strategy.

As I said, there are about a half a million active users. I was — I felt like a creep, I was number 32,000 as a user, and I was the oldest guy because I worked on the college campus, and most of the other people were like, half my age. And I've seen it kind of first hand, grow over the last couple of years. Half of those people are regular users who log on every single day. When you think about all that combined, there's actually 700 billion minutes a month on Facebook. That's a lot of time.

The average user creates 90 pieces of unique content per month. That's a status, that's a tag, that's a photograph, that's an opinion, that's an article that's being shared. There are 300 — when you categorize that, that's 300 billion pieces of content shared every month. It's a terrific platform both inside the USA but outside the USA. I think there's 70% of the users are outside of this country. There are now 65-70 different languages. It's integrated. Most importantly, it's integrated with well over 1 million websites, including ours, including NTRA's, and the new next step is integration into the mobile platform, too. So it's just not a website, it's a thing. It's a platform, and it's available on your mobile device as well as on the traditional computer, PC/Mac/Internet. I'll put this one down.

I talked about, it's now translated into over 70 languages, and the funny thing about the translation feature, if you don't know, I don't think Facebook paid anything to have their pages translated. There are actually 200,000 volunteers translated Facebook into their native tongues. Two hundred thousand volunteers. That's an important lesson to take back, because those of you may be looking at me and say, "Well that's nice, but I don't have a lot of money to spend on Facebook, or I don't have a lot of money to spend on Web 2.0 social media." I can guarantee you regardless of what organization you're affiliated with, you have volunteers — perhaps some students even at the University of Arizona who are in this room today, may volunteer on your behalf to create a Facebook integration program at your facility, your track, what have you.

A lot of the work that we do with our clients inside and outside of this industry is actually just kind of leveraging and tapping the ideas and the energy of those passionate people who want to volunteer and contribute their ideas to help the organizations they care about. So, there's really, really no excuse, I don't think.

Look, even the Supreme Court is adapting to Facebook. There was a big piece came on the Washington Post about the justices are saying that we must adapt to a Facebook world, and what that means regarding privacy. I mean, the Pope is on iPad, iTunes, the Pope is on Facebook. You might have seen that the Queen, Queen Elizabeth, is on Facebook. But I think one of the best examples of Facebook that I've seen is Keeneland Park, you know? And the Pope has nothing on Keeneland.

Keeneland has 74,000 fans on Facebook, and one of the reasons that they have so many fans is that they're really good at it. This is a screen shot, I think, from two days ago, of the Keeneland site. And one of the reasons they've got so much, so many fans, is that there's a lot of interaction, there's a lot of engagement with the fans. You can see that they've posted something up there about the NTRA handicap challenge the day before. The post before that was about Zenyatta, and they have 24 comments or something. But, it's a way to kind of create conversations with their most important fans, and those fans range at Keeneland or other places, with — you can have conversations tailored to your core fans, your heavy players, your serious handicappers. You can also incorporate programs that may target more casual, more casual players or light fans.

So, check out Keeneland if you haven't already. It's one of many great examples of the use of Facebook. Not only in racing, but in sports and actually on Facebook generally. So, that's just a quick couple minutes on Facebook.

The second is the Internet newspaper. Keith mentioned that I contribute to the Huffington Post, and it's an amazing opportunity I have to do that, and it's an opportunity that everybody in this room can also have. You write something, you submit it, they typically will put it up online, and you'll see what happens.

And if it's well done, if you've got some — an interesting idea behind it, they'll publish it and before you know it, it's going around the world. So, it's a tremendous opportunity to use the Web, the Web 2.0, this Internet newspaper, to drive stories that you care about. Give you some examples. This is no disrespect, I have four lines here. But, October 2009 which is only obviously a year ago, Huffington Post, Washington Post and the LA Times, two of the most significant traditional newspapers in the country, had monthly traffic on their website, about 7.5 million. They were all the same, okay? Huffington Post, Washington Post, and LA Times had traffic about the same.

One year later, you can see that Huffington Post has you can see, another 4 million more unique visitors per month than they did a year ago, and Washington Post and LA Times has fewer unique visitors a month. I talked about Facebook, for the first time the Eclipse awards, three, four, five years ago, I'm now talking about the Huffington Post as something that's going to be incredibly integral to your business and to the brand of Thoroughbred Racing.

No disrespect at all to the *Daily Racing Form*, incredibly important publication, but the DRF and every other industry publication within our industry, you measure in the tens of thousands. Not in the millions or soon to be tens of millions. So, Huffington Post, just think about it. Look at it and think about how that could fit into your business. They actually have a page, a sports page, which has horse racing content on there already, which I'll show you in a moment.

I did a little experiment on the Huffington Post in June. We did a little analysis of the BP oil spill, and we could easily have done this if there were back in time — we could have done this for the Eight Belles tragedy. And just in the month of June, which was I think three or four months into the BP oil spill, there were a quarter of a million mentions on issues related to BP. And you can see by that chart, indicates how many mentions per day, and that in some cases were tens of thousands of mentions per day of this one particular topic area.

When you look at all of the media related to this event and the number of comments, I do analysis here of all the comments on the Huffington Post relative to CNN, USA Today, New York Times, Wall Street Journals, Fox News, etc. And of the 270,000 comments on this particular topic, 230,000 of them came from Huffington Post, okay? I think 4,000 came from the New York Times, 300 from the Guardian, 1,000 from the Washington Post.

When you look at the influence online in terms of where other people get their information from, what this chart indicates is that by a margin of 10:1, other authors, bloggers and members of the media are taking information from the Huffington Post and then rewriting it and republishing it. So, in terms of the inbound links, that's happening from the Huffington Post compared to other forms of media are just incredible — incredible.

And as I said, they have a horse racing section already designed. They're basically asking, if not begging, for content. They did a great series of pieces around the Kentucky Derby and the Triple Crown, but there's also a piece there from opponents of horse racing as well. So again, this is an open space that's allowing content that people want to hear about, want to read about, want to forward, want to comment on, and we have an opportunity as an industry to participate in that dialogue, to participate on this platform. If we don't, others will and we'll have less control of our brand.

So, hopefully we get to know Facebook, spend some time and get to know the Huffington Post, as well.

The third thing I'll talk about is how to integrate all these kinds of things. As Keith said, about a year-and-a-half ago, we created a co-op program, in I think it was about a half dozen if not more, racetracks, Woodbine to Golden Gate Fields, to Maryland Jockey Club, Sam Houston and Monmouth Park, and we help them integrate social media into their overall business, especially on the marketing side. And they re-designed their website, and I think it's a pretty good example of the ways in which you could kind of develop a racing-based website. It's very similar to what we've been able to do in the last nine months at NTRA.

But you can see, as traditional news, you've got blogs which are an incredibly important part of it, because it helps with your search and gets you linked up further onto the Google searches. You've got integration with photos and this free website Flickr, there's commerce where you can do group sales, and then you have the jumping off to the social media platforms.

But what I'm interested in, as Keith mentioned, I don't understand numbers as much as Stanley understands numbers, but I understand numbers and analytics and measurement. And the way in which we measure this is, driving traffic. You have more traffic on your website today with a new site than you did last year with an old site. And after Monmouth Park created that new website, what we did was, we wanted to measure the impact of this site. And what we did was, we looked at a sample from a Monmouth Elite Meet from 2009, which is actually 19 weeks, relative to the Elite Meet from 2010 which was actually 17 weeks. So, it's more time versus less time.

In less time, one year later, there was three quarters of a million more unique users to the website. Traffic went up 96%, 747,000 new users. When you look at the page views, in terms of how much time people are spending on your site, there's actually a 2.5 million more page views with this new site, compared to the old site. That's an increase of 107%.

Facebook only works if you're engaging people. If you're taking people from Facebook to somewhere else, where they can kind of share in your value proposition, and that's working pretty well, as well. The percent of traffic they received in 2010 from Facebook compared to 2009 increased 378%. That's 6,000 more referrals from Facebook. And that's something that really doesn't necessarily even cost too much. When we talk about integration, it doesn't cost anything to integrate Facebook into your website. It doesn't cost anything to integrate a photo sharing platform or something like that. So, relatively inexpensive, but it's necessary that you do find somebody in your organization or outside your organization who's dedicated to measuring this for you on an ongoing basis.

So, with that I'm going to leave it, I'm going to sit down, we can answer a question or two if you have anything for me or the other panelists. I will tell you that I'm particularly excited. Our new co-op partner with the NTRA is West Point Thoroughbreds. I'm not sure if there's anybody here from West Point, but as of last week I am now, for the first time, not only a casual fan but now a part-owner of a racehorse at our company. So, I'm really looking forward to using some of these strategies to talk to my friends and hopefully to spend some time online talking about the results and really understanding what it's like to be an owner.

So, thank you very much, I appreciate the opportunity.

**Mr. Eric Wing:** Of course, now, happy to entertain any questions for Keith, John, Stanley. Again, we've got the microphones. A rare opportunity to pick the brain of a National Handicapping Champion. Go ahead, Ed.

**Audience Member:** It seems with the popularity of poker, the World Series, online poker obviously a big part of that. It seems like the online wagering platforms have not been as bullish on handicapping tournaments on a daily or weekly basis. Certainly they have them, but nothing on the level that you see at poker sites, which run every minute, 24/7. You can't do that in racing, obviously, but it's not on a weekly basis let alone monthly, it seems. Can you discuss efforts to move things more in line and get people involved on a more consistent basis rather than just bricks and mortar?

**Mr. Keith Chamblin:** Well, I think there is a gravitation toward more online tournaments each and every year in general, for example the West Point tournament would just be the latest example, as it relates specifically to the ADW's. The TVG has chosen to take a very conservative approach with regard to the types of tournaments that they're willing to conduct online.

They are all free; they see it as a marketing platform to try to attract new ADW customers to their platform, but to do it through a free tournament format. I think TVG gave away I think 6 spots in 2010; you'll probably do the same, maybe a few more in 2011.

Xpressbet on the other hand, gave away I believe over 20 spots in 2010, in the first half of 2010. They committed yesterday to giving away six spots in 2011, and they're going to look and see how the results are, and look to do more going forward. There's a pricing issue also involved as it relates to members and non-members, but I think when most of the ADW's look at it, when they look at the price structure and then they compare that to the lifetime value of an ADW account, and Stanley would be better to speak to that than I can. They would see that either at the member or non-member rate, these are a terrific mechanism for drawing new players to their web platform.

So, I think they're involved, they're participating, and I think as the NHC grows to 2 million, more and more we're going to get the attention of more and more ADW's, and they're really going to have no choice, but if they are standing on the sidelines, to get involved and to play in this space, because frankly their customers are going to demand it. And they're going to migrate to those ADW platforms that are participating in the NHC. So, stay tuned.

This is the earliest we've ever tried to recruit organizations to participate in the NHC, and we've always gone through this process in January and December. January, and we kick off the NHC tour in February after the National Championship. Well, if we were to stop taking registrants right now, the 2012 National Handicapping Championship would be by far the richest in the history of the event. So, we're well out in front of where we've been, but we've still got a lot of arm wrestling and arm twisting to do, and some of it we're doing this week here in Tucson. And I think you'll see all those ADW's participating at some level in 2011.

**Mr. Stanley Bavlish:** And again, just from my Subway perspective, the hardest thing is to get a customer in the door. So, whether its bricks and mortar, whether it's online, whatever you can do to bring that customer in and then maybe keep him long term, to Keith's point, it's invaluable. So, you know, that's what I recommend everybody do.

**Mr. John Della Volpe:** And I'm just going to — one interesting contrast between poker and horse racing, for the most part for the uninitiated, the front door to poker is through tournament play, namely the tournaments they see on ESPN that might get them interested. It's only later they have to learn about cash games, and the like. It's really the opposite with horse racing. The front door to our sport is the more traditional betting experience, typically on-track, and it's from there one of the later rooms you visit in that house is tournament play, and Keith had that graphic before that showed what a nice upward moving line. The one reason why that line might still grow is, I think Keith would admit we're far from saturating that market.

I think a lot of regular players still haven't dipped their toes into the tournament waters. So, if we can convert even more, it maybe bodes even better for the NHC going forward.

**Mr. Eric Wing:** All right, looks like we've answered all the questions, and Keith, John and Stanley, thanks very much.

Incidentally, I just want to either remind or let you know for the first time that all the presentations today, including John's, will be posted shortly on NTRA.com. If you don't have Internet access or something, I guess John would laugh at you, but we'd also be happy to e-mail it to you. Hopefully you have an e-mail account, if you have any trouble accessing it online.



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