



Race Track Industry Program

**WEDNESDAY, DECEMBER 8, 2004**

**Morning Session 1**

**THE REALITY OF PRODUCING COMPELLING T.V.**

**Moderator:**

**Steven Crist**, Chairman and Publisher, Daily Racing Form

**Speakers:**

**Michael Antinoro**, Executive Producer, ESPN

**Basil V. Devito, Jr.**, Senior Television Advisor, NTRA

**Ian Valentine**, Senior Vice President, Programming, GSN

**MR. REED:** Welcome again. This panel was kind of built around the faculty discussing the phenomenon that probably many of you are aware of, if you haven't lived in a cave in the past year, the poker phenomenon. And through chats in our offices we started talking about the analogies between playing poker and handicapping the horses and the greyhounds.

And I'm going to let our moderator, who I understand — I won't tell who told me this, but someone on his staff told me he'd be the perfect moderator, I understand he has familiarity with both handicapping and poker, rumor has it.

So I thought, who better to moderate this panel than an expert in both areas. And before I introduce him I do want to just one more time say how good the relationship has been with the Daily Racing Form.

They have been a strong supporter for more years than I've been here for sure. One of the best things they do for our students is the Joe Hirsch Speaker Forum, and we are able to bring in many speakers, many of you are probably here in the audience today, and give the students the opportunity to hear first-hand how the business is run from experts, and you're the experts.

So thank you, Daily Racing Form, for that. So let me go ahead and without long introductions, because we've got some great speakers, let me introduce the publisher and chairman for the Daily Racing Form. Thank you, Steven.

**(Applause)**

**MR. STEVEN CRIST:** Thank you, Doug. And in honor of our topic today we'll all be speaking from here sitting down, since both poker and television are best enjoyed sitting down.

**(Chuckles)**

And also thank you for the U of A program. We're happy to support it and we say thanks, because some of our very best employees have come out of this program. So we're very happy to support the good work that you do here.

Our topic this morning involves an old-fashioned gambling game that was recently considered a moribund activity for bitter old men, but that has been totally transformed and revolutionized in the last two or three years through the miracle of television. And it's enjoying a spectacular renaissance right now.

And I wish those are sentences that I could say about horse racing, but they're not. They are about poker. Personally, I've been a poker player for the last 15 years. In fact, one of the things I always enjoyed about the Symposium was that it was pretty easy to stop off in Vegas for the weekend on the way home.

And the Symposium was usually scheduled right before the weekend that's National Rodeo Finals Weekend in Las Vegas, which if you don't know is the best weekend of the year to play poker in Las Vegas because you got all these cowboys and they think that they're all world-class poker players, and they're not so highly skilled, so I recommend stopping in Vegas on the way home. If you are a poker player.

**(Chuckles)**

But you know, until really the last couple of years, playing poker in Las Vegas was a little bit like going to Philadelphia Park on Thursday afternoon. You would just have a bunch of players, tight-lipped regulars cutting each other up, very much the way the worst of the pari-mutuel industry is right now at its weakest.

But then suddenly three years ago the stars just lined up on several fronts. Some combination of the boom in reality TV, the development of the hidden camera showing you the players' hands and televised poker, as well as broader developments, access to high speed Internet and more and more acceptance of legalized gambling, all those things came together.

And what's happened with poker since then has just been off the charts. Between the World Series of Poker telecasts on ESPN, which the astounded even ESPN executives through their popularity, with the World Poker Tour on the Travel Channel producing record ratings for that channel, and then of course Fox got into the act, and it being Fox they kind of put poker on steroids and hallucinogens, and they have the Celebrity Poker Showdown and Poker Superstars, and the results have just been extraordinary.

You have a mammoth new industry in online poker. Every Sunday afternoon people can sit down at their computers and play for jackpots of over a quarter of a million dollars from home.

Live brick and mortar poker rooms are booming like never before, your tournaments are attracting incredible numbers of entrants. The World Series of Poker where it costs \$10,000 to sit down at the table just from 2003 to 2004 went from 839 entrants to 2,576 entrants, so over 2,500 people traveling to Las Vegas and putting up \$10,000 to sit down and play in a poker tournaments.

And there have been all sorts of ancillary booms as well. Among the hottest items this Christmas in stores are Hold 'em Poker-related merchandise. Sears' hottest items included a chip case with 2,300 clay chips in it, and they can't even keep it in stock.

The other thing that it's done, that I think racing really is going to want to look at, is that it's created and attracted an entirely new demographic, far from the cigar-chomping retirees that everyone thinks of when you say the World Poker.

More than 50 percent of the people watching these poker telecasts and the new players in these tournaments are under 30, up to 20 percent of them are women, and these are the kind of things that racing has been trying for 30 years to even approach.

It's also becoming international phenomenon; the World Poker Tour in recent months, the content and the programming has now gone to the United Kingdom, Canada, Australia, South Korea and the Philippines; it's truly becoming an international phenomenon.

It seems that there have to be things that if racing — the pari-mutuel industry can learn from this and there have to be things that racing can emulate, and that's what our three panelists are going to discuss today. Three very different takes all related to the worlds of poker television and especially reality television.

Our first speaker, Basil DeVito is the senior television adviser for the NTRA; and when Basil started working with the NTRA he certainly brought a younger and less conventional mindset to the idea of television and racing, because Basil came out of the NBA, the world of entertainment and the XFL.

He's now the president of IX Sports an Entertainment, which provides television consulting services to the NTRA; and I am looking forward to what he has to say about all this.

Basil?

**MR. BASIL V. DeVITO, Jr.:** Thank you, good morning.

## (Applause)

In preparing for this panel, one of the things that we needed to do on the racing side is to really look at our racing telecasts and what are the traits and what are the situations of our racing telecasts? And then how does that relate to what we're seeing happen in reality television and in poker, and what can we draw from their success? And so, with the exception of the Triple Crown and the Breeders' Cup, looking at what has recently happened with all other racing telecasts and how they're similar.

Over the course of the last two to three years there's been an increased emphasis on more live racing in all the telecasts, higher quality of races in those telecasts, greater continuity from telecast to telecast, which would be the divisional focus, the involvement of sponsors in divisions, the follow-through of a logical season from spring to summer to fall to championship.

Certainly there's been a great degree of increased emphasis on wagering, national wagers on national telecasts and bringing through that that point of it. All of those things have actually had a positive effect; and in other words, those items or other happenstance items, viewership over the last two to three years has grown reasonably well, on overall racing telecasts.

Could be any number of things. Obviously, we've within racing talked about whether it's Smarty Jones, Seabiscuit, the movie, or just growth of cable or whatever it might be in the end, that's fine. But then we have to look beyond that, because we understand that the old axiom, doing things the same way and expecting different results isn't going to get you anywhere.

So we started to look at, what do all of these telecasts have in common? And there are some traits that are common in all telecasts. All telecasts are live. They all bring our telecast to a site and somewhat in a nomadic manner the telecasts go from site to site to site. All of the telecasts have finite resources, there's just X amount of money to create and produce this one telecast or this one series.

And another factor is they're all scheduled in approximately the same time zone. Saturday, Sunday, late afternoon, usually against another live sporting event of some type.

So in looking at that, is the nomenclature of current racing telecasts, and how does that differ or what can we learn from, most specifically the World Series of Poker? And we reached the producer and he was, you know, very kind to provide not only his time and input but also engage his coordinating producer for the World Series of Poker, and we started to look at some things and learn from what the nomenclature of these telecasts are.

And one of the things that came up immediately is the fact that they're on tape. And you melt down a multi-date event to one great hour, with certain aspects. The idea, as Steve talked about, the hidden camera which gives you an immediate

opportunity to look at the cards as the players look at the cards; or how about the graphics that come up with the players, all the players' hands in one place, and immediately what the percentage chance that that hand is a winner; seemingly done in real time, but basically taken multiple weeks to put together between when it actually happened and when it aired on television.

The opportunity to really capture these people, these — these individuals who are real live people and tell their story, and never seem to miss who to follow. Well, the miracle of tape and multiple weeks of post production gives you that opportunity.

So we start to look at these things and all those things were important. Also, we learned from Mike the aspect of scheduling. I mean, one of the things we know when anecdotally you look around the dial and you say, "Gee, poker's everywhere."

Well, it's in places; you can find it and it's necessarily strategically scheduled. So in looking at that, we have embarked on an effort that will happen in early 2005. Together with the ESPN, and I said with input from Mike's office, the Daily Racing Form, National Thoroughbred Racing, National Handicapping Championship, which takes place in late January, a good two-day event, will be covered in a different way and we will cover that utilizing some of the techniques, some of the tricks, some of the ways that they've told us.

And we've engaged their producer to help us, and the outcome of that telecast or that production will be aired in late February, with the World Series of Poker as lead-in and Sportscenter as the lead-out. So we will have three weeks with which to produce, using the techniques of the World Series of Poker, and hopefully we'll be good learners, both in miking the players, covering the entire two-day tournament, beginning to tell the stories of who these people are in order to get to the grand prize, which is the biggest prize it's ever been this year.

And also the program will be placed in a strategic place where the viewers might find it. And our hope is that this acts as a pilot-type program where we can expose the aspect of handicapping and show both the network and ourselves and our viewers and our constituency that there are things that we can do to present the handicapping personality of our game and the game within the game in a different manner.

And if coming out of this — this is somewhat our pilot program — and if we can come out of this, we can do half as good a job as the World Series of Poker does in explaining — and I know more now about poker just from watching, as Steve alluded to, with my 13-year-old, than I would ever learn going to a casino.

But I don't feel like I'm being preached to. I don't feel like I'm being educated. We don't watch TV to be educated, we watch TV to be entertained. And so that's the challenge we have in racing. Yes, it's difficult, and in a live one-hour telecast it really moves fast as it pertains to someone that might want to learn more.

So taking the techniques and the nomenclature of what has been done with poker, we're hoping that we can present and use this as an opportunity to come out; and if we can come out with even a different form of segment, even if we can come out with some ideas, hopefully it will create new types of programming, new types of air times for us, and we're hopeful this is a good first step and we're glad that we've been able to engage the experts at ESPN in performing with us.

So that's a quick look at what we think we're going to try to do in 2005.

**MR. CRIST:** Thank you, Basil. Speaking of the experts at ESPN, our next panelist is Michael Antinoro, who's the executive producer of ESPN Original Entertainment. He oversees all facets of productions for ESPN Original Entertainment, and his current initiatives include the World Series of Poker, Dream Job and Playmakers.

Michael, are you going to save horse tracing through television?

**MR. MICHAEL ANTINORO:** According to Basil, I guess so; I guess that's the plan. Actually, I have a quick tape to run just before I launch into it?

Can't get the tape going. Well, that bodes well for how much we can help you guys.

**(Chuckles)**

**(A tape was played)**

I still love seeing all that money dumped on the table like that. Poker's been televised as early as the '80s, CBS televised poker with, not surprisingly, Jimmy the Greek, and I was the host, and we've been televising poker at ESPN since '93. It's been on the air in Europe since at least that long, but we really didn't start producing poker until 2003.

And Steve hit the nail on the head on a lot of things that — you know, poker really has had a renaissance in the past two years — and I'd love to sit here and say, "You know what? We saw this coming, that's how smart we are at ESPN. We sat back and we said" — I'd love to say, "I sat back and this is the next big thing for television."

We started ESPN Original Entertainment in 2001. And our idea was basically to give sports fans another form of entertainment; get away from the traditional football, basketball, baseball, news and information shows like "Sportscenter" or "Baseball Tonight" and look for some other alternate forms of sports programming that may be interesting to the sports fans.

So we did a few reality shows, we did some documentaries and we kind of just played around with other formats. And honestly we had a couple — we'd have a staff meeting and we look at the ratings for what our new shows were doing, and they were doing average; nothing great, nothing bad.

Three or four weeks in a row we looked at that, and our ratings were basically doing the same thing. But we noticed that there were these random poker telecasts that were kind of popping up on our schedule; '93 World Series of Poker, '98 World Series of Poker. Just random telecasts; no promotion at all, no production value really at all, and they were doing well.

So we may not be smart but we're not stupid. We figured, let's take a look at some of these programs. We started programming strategically and said, "Let's see if this will hold up all over our schedule." And it did.

So then we made a decision, pretty much the watershed decision for us was like that, "We're going to produce poker now. We're not going to just air it."

Up to that point for the first 10 years we pretty much just took one-hour or two-hour programs that other production companies delivered to us. You saw a clip of it at the beginning, the Chris Ferguson thing, which — it's fine, it basically covered the event. You knew who won, you knew who lost, and there wasn't — like I said, not much production value. A couple cameras, and it was more reporting than entertaining. And they did fine for us.

But we kind of made a commitment to produce poker in 2003, so we went out and we acquired the rights to the World Series of Poker. And then we sat down and we said, "Okay, how do you produce this?" And we realized right away that there are a lot of challenges in poker.

You know, in essence it's a bunch of people sitting around staring at each other for a long time and folding 95 percent of the time. So not very compelling.

So we looked at that and we also said, one benefit of that, as Basil said, that you can shoot it and then edit it down. These tournaments take anywhere from 13 hours to four days to finish, so you want to shoot a lot, you boil it down to one hour you can get a pretty good hour.

The other challenge, probably even a bigger one, was you could have the 50 best poker players in the world for a tournament and they could literally be out of that tournament in 10 minutes, that's just the way the cards fall. In any other sport you don't have that.

So we decided to produce this. We sat down, and we considered — ESPN — we considered ourselves, above and beyond anything else, storytellers, whether it's a documentary or a Sportscenter or a feature or a game, we attacked it like we're going to tell the story.

I'll use an example of the baseball game, Houston Astros versus San Francisco Giants. When you decide you're going to put that game on the air, there's a couple storylines you know you have going in before you even start. If Roger Clemens is pitching — before this year six Cy Youngs; left the Yankees, came back; is home at

Houston — that's a story you can start talking about before the game, certainly during the game and then after the game.

Barry Bonds; every time he comes up, even before Victor Conte became part of everyday conversation, every time he comes up that's a story, you can follow that. When they face each other that's a story; two guys over 40 still at the top of their game. And then of course the game itself, the way that unfolds.

So you can sit down as a producer of a baseball game, basketball game, football game and have a few storylines you can follow.

Our challenge with poker was we didn't really have that. Yes, we can say, "Doyle Brunson is in this game or Johnny Chan or Phil Helmut, we can follow them, but they could be gone.

So what we decided to do was figure out a way to make poker the actual character more than anything else; and while there was a challenge there was also an opportunity there in that poker has so much history, and also the people that play poker, the competitors are so diverse and very different from other sports; you do a basketball game, pretty much everybody in the game is 20 or 30 years old, they're all pretty tall, you know they all probably went to college — or not anymore, I'm sorry — went to high school, they all went to high school or college and they're all kind of the same type of person whether they're black or white or European or American is about the only difference in them.

Poker, whether it be gender or race or nationality, socioeconomic background, they come from everywhere, so that was an opportunity that we said it doesn't matter, like Basil mentioned before, we actually figure out how to follow the right person until the end. That's because we pretty much try to follow everybody.

Now, economically that's not possible to focus our cameras on all 2,500 people that are there. But we just figured that the storylines are going to come up. So as long as you cover the event just ready to kind of take advantage of these personalities, that's kind of the best way to attack that.

The other thing we had was that poker, the competition of poker in its essence is what sports is all about. It's one-on-one. "I know what I'm going to do, I think I know what you're going to do; you think you know the same thing as I do, and bang, let's see what happens."

What we could add was, "I know what I can do, and as a viewer I'm also going to let you know what he has."

So unlike baseball or basketball or football where the defense doesn't know what play the quarterback's calling, but as a viewer we're letting you know, we're letting you in on both sides. So we took advantage of that.



We really looked at poker and tried to decide what is unique to poker that we can bring to the viewer to make them appreciate the game more? And so far it's worked for us. And out of the first year we did seven hours of poker and rated extremely well, and then next year we ramped it up into 22 hours.

And I think while you guys are doing it smartest, again, we did — like I say, we didn't really identify poker as the next big thing for us, we kind of stumbled on it. The first year Chris MoneyMaker won. You can't central cast a name like Chris MoneyMaker. He didn't make the up, that's his real name. So that kind of thing you can't cast. He was an amateur, three years in a row an amateur poker player who's won; that allows the viewer to look there and see themselves.

Steve mentioned reality television. It might be one of the reasons why poker renaissance is as big as it is. I personally think that's a huge part of it. I think people that watch see themselves, people that — we air poker shows 10 times and they still rate; it's the same show, you know who's going to win, you know what cards are going to get flipped over; but people watch it over and over and over again. And I think what poker has that's unique is that people watch these shows almost as a tutorial. They want to learn, they want to play better.

I can watch Tiger take 50 swings in a row and I go out there, I'm not going to hit the ball like Tiger; but I can watch these poker players play and I may learn a thing or two that I can go and take those cowboys' money in Vegas, that might work out for me. So I think that's something, another part of poker that we take advantage of.

And then that's kind of where we are with poker. You've guys are doing the smartest, you're identifying that there is a place for your sport to grow and you can use television to really accentuate the interesting parts of the game and take advantage of things like the camera angles and statistics on the screen and really kind of make it a more user-friendly game through television.

That's what we hopefully have done with poker.

**MR. CRIST:** Thank you very much, Michael.

Our final panelist, speaking of the importance of reality television, is the producer of television's first baby steps in this area into horse racing. Ian Valentine is a senior vice president of programming for the Game Show Network. He's an Emmy Award winner, and he's overseeing GSN's production, development, acquisitions and program planning for the network.

And among his first project is the network's horse racing reality series, the American Dream Derby, which I'm sure we're all eager to hear about; and Ian, please tell us about it.

**MR. IAN VALENTINE:** Thank you. I'll also say that I know a lot about poker, so having produced two poker shows and watching the poker rough cuts last night. So

I do feel I know the gaming world far better than I thought. It's depressing to look at that tape and realize, "Well, that's Doyle Brunson, that's Chris Moneymaker. Oh, that's Phil Helmut." When you know the names of the stars you're having trouble in your life.

**(Chuckles)**

I grew up on a farm. I basically hate pets and the only animals that I ever want to see are dead and on my plate.

**(Chuckles)**

I don't know if any of you have grown up on a farm, but there's a connection between hating animals and a farm and it's pretty clear to me. I took this job last June; by October I owned 15 Thoroughbred racehorses. Something went wrong there. Here's how I got into this mess.

I'm a long-time TV exec, my biggest successes include, I did this mini series Moby Dick with Patrick Stewart; the beauty of that was the whale was fiberglass. I also did a huge — my Emmy came on a project that Steven Spielberg did called "Take in," it was a multi-part mini series on about two years ago. The aliens were computer-generated so no animals in that one.

I guess this qualified me to go to work at GSN. I really didn't know anything about reality television. I'd done some hidden camera shows, but I knew a lot about how to take a network from one place to another, to rebrand a network, and that's what Game Show Channel was doing.

Game Show Channel is not actually called Game Show Channel anymore, it's called GSN, The Network For Games. And that transition began to take place last March. The key to the program of the channel is all our shows are about competitions. That's basically the key line.

Before I arrived Rich Cronin, who's the CEO of GSN, had dreamed up American Dream Derby, and he put out a press release. And basically what he said was, "American Dream Derby, it's a multi-episode reality show with a climax of a live horse race."

And when I arrived I said, "So what's the show? What are we going to do?"

And Mike, I'm sure you've faced this exact problem yourself.

He said, "I don't know, that's all I know. Read the press release. I expect some episodes shortly. Think about airing in February — I mean, in January."

So obviously the first part of the work was developing the show. We talked to a number of producers, and obviously in Hollywood there's a number of producers and stars, etcetera, who own racehorses and are enamored of it.

It was an intriguing process, because basically I can place a bet, I'd been to the horse track before, but I'm no aficionado by any stretch.

We determined that to reach a broader audience we couldn't be buried in the minutiae of thoroughbred horse racing, it couldn't be a documentary about thoroughbred horse racing. A number of producers came in, sort of pitched us that.

So what we decided we would do is instead, make a show about people, and that's basically what reality shows, including poker, are all about. It's about people, it isn't per se about the game or the machinations. The game is a method to reveal the characters, the aspirations, the dreams, the conflicts between people. So that was the key thing, we're not going to focus on horses per se but focus on people.

Another broad thing we realized is that right now the key to reality shows, the successful reality shows — and some of you may have read that there's been some decline in reality shows; I would say they probably reached their apogee — is that the ones in working now are all about aspirations, wish fulfillment. That's key.

ABC's Extreme Makeover is a completely aspirational show. The Apprentice, aspiration. I want to be like Donald Trump. Poker I think is a fantastic aspirational show. If you look at poker, anybody can play, everybody has a dream about winning.

So it's easy. You go into a satellite tournament with as little as 500 bucks and suddenly you're Chris MoneyMaker; and you can do it online anonymously. It's a fantastic sort of pure version of the American Dream.

So anyways, we approached this as an aspirational show, and what that meant, it had two significant impacts. First the show was fundamentally about dreamers. We sought to cast the contestants in a way so that they all dreamed about owning thoroughbred racehorses.

Additionally, the prize was going to be a bundle of cash, \$250,000 as it happens, and we're giving them a string of horses. So that is a unique element to the show.

The next steps were, we had to seek a location partner where the show would live. I mean, it was going to be about horse racing, we had to be someplace. For many reasons it's simpler for us to do this in Southern California, that's where I work.

We have two great facilities there, right in the city, with Santa Anita and Hollywood Park. I will tell you that we approached both companies through their corporate relationships, and very open. It was not difficult at all, you know. "Let's do it" was their immediate reaction. Eventually Santa Anita was a little more aggressive on what they proposed, we liked the look of Santa Anita; who wouldn't? It's a beautiful track.

I don't want to say anything negative about Hollywood Park, they were great too. But we decided to go with Santa Anita. We also brought in producer Scott Stone and Sharon Levy who are the real producers of the show, Stone and Company. They knew nothing about horse racing, knew absolutely nothing. But they knew everything about reality shows. We figured it would be a crash course in horse racing.

Jack McDaniels, Chris McCarron and the entire team at Santa Anita gave GSN and Scott and Sharon an absolute crash course in horse racing. It took a lot of time, took a lot of days, took a lot of driving around those little golf carts.

Another key player was a trainer named Ron Ellis, who many of you may know. Ron was very, very important in this whole process. He filled in all the gaps, he gave a different perspective on it. Eventually he became an employee of the show and actually bought all the horses for us.

The process of making reality shows, you create a format and a budget. Essentially the format was — it's a Survivor-like elimination show, with match horse races being the eliminator. So every show, each show ends, there's a match horse race between obviously two, that's what a match race is, and one contestant is eliminated when their horse loses, so that's basically the thing.

Another key element of the show is that they can win or lose money by handicapping during the race. So they don't just bet on horses, they bet on each other, they bet on who's going to eat that steak, they bet on all sorts of things, but they bet.

One of the cool things we did was we have our own unique issue of American Dream Derby Racing Form, which has all our horses in it. This is another cool thing we used during the show. The Racing Form was absolutely great in doing this for us, so we have a unique document that was created for the show.

So we're out there casting, and I'll talk a little bit about that process. You don't actually cast at open calls. We did do open calls at Santa Anita and a few tracks. It's a nice promotional event. But the reality is you use affinity groups, phone calls, various other methods to get that.

An affinity group is possibly a Web-based discussion session. What we finally got really, and I think this is a huge opportunity, something you guys need to think about, is we didn't really get people who loved thoroughbred racing per se, but we got people who loved horses.

There's a lots of people out there who love and relate to horses in unique ways. And that was fantastic for us, because when you cast a reality show — and I've now been involved in enough of them to know what it's like; mostly you've got a bunch of greedy people who are looking for celebrity and they'll do anything to get it. The credibility of them is a very difficult thing to assess in the casting process.

But somehow the love of horses purified this process. And we could really look at those people and say, "Do they love horses? Are horses in their lives?"

And if they were, if they had been in their lives all their lives, and some of them were handicappers, some of them simply own several horses, but they all loved horses. It was great.

The casting people who have done hundreds of shows were ecstatic with this; it really gives us a different texture of people.

Okay, so production. We shot our first day on October 31st, that was the last day of the Oak Tree meet. And then we shot for two weeks with one day off. This is an absolutely brutal thing. It's very demanding of Santa Anita. The contestants lived in the stables with the horses.

The crews on the show were there 24 hours a day. At any given moment if any of you decide to do a reality show, I may come to you who own your racetracks next year if we do another. There are 50, 60 people a day living there 24 hours a day working on the show, not counting the contestants.

In addition to that you've got another 25 people showing up just to, I don't know, do marketing, hang around, kibitz, sleep with the producers, whatever they're doing.

Basically Santa Anita helped us and this is part of the deal you're going to make with a production company, and this also true in poker as we do deals with casinos; you pay. You pay for this.

It's a competitive market, so Santa Anita came up with what we call soft costs. In other words, we did not pay a location fee, they provided a significant amount of catering of food and there were a number of other issues that came up. You need to be flexible. That's a key element of doing one of these shows.

We did it while they were not in season so it wasn't a big deal, but nonetheless I will tell you Jack and his whole team reached out to us, we reached out to them. It wasn't a process without conflict but then we worked it out in good-willed spirit.

The climax will be February 21st at Santa Anita. We're going to do a live pari-mutuel race where the winner is finally decided. It's absolutely unique. It's the only time a reality show has ever been done where nobody has any clue who's going to win, until that horse crosses the finish line.

We're also, as a marketing element — and this is something else television can do — we're going to bring in LeAnn Rimes who is going to do a concert. She's done a tune for this thing, and that's sort of another element to Santa Anita's getting all of this.

We're just locking our first episode. Now, there was some issue with playing the format of the tape, I don't know if a tape has come back yet. I was going to show you a two-minute tease. Tape here? Looking back. No. Okay. So I guess we won't show the tape.

Thank you.

**(Applause)**

**MR. CRIST:** Thank you very much, Ian. I think we're still hoping maybe to get the tape here before the end of the session. But before we throw this open to your questions, and I hope you have a lot, I had a couple of follow-up questions I wanted each member of the panel perhaps to address.

The first is: I wonder what the climate is in television right now for gambling in general. Obviously you've got dozens of hours of poker programming all over the network; at the same time when we at the Racing Form try to put an advertisement on ESPN for the newspaper saying, "This is the paper to use when you're playing to win," Standards and Practices comes down all over us and says, "Well, you can't be promoting gambling on television."

Obviously this has been an —

**MR. VALENTINE:** We'll take that ad.

**MR. CRIST:** Okay. I hope your rates are are a little lower than ESPN's.

**MR. VALENTINE:** Absolutely.

**MR. CRIST:** Okay, good. Now in general, has there been a change in the television industry? Is there now a hundred percent tolerance for any kind of gambling or do we still have to walk a fine line?

And I think it's a point for this audience with track executives, who try to position their product and do their advertising campaigns; is it now really possible to be a lot more straightforward and hard hitting about this being a gambling thing, or does the gambling still need to be dressed up in the pageantry of racing?

And each of you probably has a different perspective on this. Basil?

**MR. DeVITO:** I think you're right. I think at first you really look at two different aspects, you look at the advertising standards and practices in those two-minute pods that run through any television show, and that has a certain standard. Although I will say over the course of, say the last two years, we have absolutely seen the opportunity to provide a greater exposure and understanding of wagering from the point of view both on ABC and ESPN, we were able to explain, expose, promote and track a national guaranteed Pick-4 up to and including having a handicapper go up to a window at Saratoga and explain a Pick-4 ticket and then

follow that Pick-4 throughout the telecast. And I think we had a \$36,000 payoff that first time.

So if you just looked at it and said, "Okay, has there been a great change? Can we do anything we want, run any types of advertising?" the answer would be, no.

But if you looked at telecasts from three years ago and a telecast today and the things that we're able to create within the show, expose, follow, Hopefully explain and entertain with, so that it's not too much browbeating, I think we can do a lot more than we ever have.

**MR. ANTINORO:** You know, it's a slippery slope for ESPN obviously because we're partners with so many of these sports, whether it's professional, but more specifically the colleges, the NCAA and all the conferences; we're partners with them and obviously gambling doesn't mix very well with that, so there's always an issue there.

But we also understand, I mean, before the advent of the Internet, let's be honest, the bottom line was, ESPN was the gambler's best friend, and that wasn't by mistake that we put that up there.

So we understand the relationship between gambling and sports, and poker I think has really helped. But it's a good point. It's still dressed up in pageantry and I think that's what going to — at least for us, we're always going to have that.

Because poker, we make a big point of saying that we only televise tournament poker and you can only lose as much as the tournament buy-in is, and things like that. So that's always going to be an issue for us.

The only thing we really get hit on these days is how our telecasts contribute to young people playing poker, young people gambling. And it's another — a lot of slippery slopes on ESPN. So it's another issue that we have to kind of treat the same way as we do the X Games.

X Games are very dangerous to get on a skateboard and try to jump over a ramp, and hopefully we do enough with PSA's and within our telecasts to let people know, "Hey, this is gambling, these are professional gamblers. You can try it if you want. If you can afford to buy in you can lose that money."

But hopefully — we have to be responsible what we do, but to answer your original question I don't know that the door's going to swing wide open any time soon for us at least.

**MR. VALENTINE:** The door is definitely wider open at GSN. The beauty of gambling is that they don't insist on guarantees and they pay cash up front. So anybody who is in the TV business does fabulous. There are specific lines, and this is very complicated issue. The FCC has gotten into this, particularly having to do with the Travel Channel.

The real money that sits out there in the gambling area is gambling Web sites. And you cannot take an ad from a gambling Web site where you're going to go on and — it's about the money. You can take an ad for Party Poker, or you can go and play for free, and then all over Party Poker are a Web site that says where you can go and play for money.

You take that ad, but you better not go take an ad from the site where you can play for money. That is a no-no and the FCC has — I don't want to get into specifics of it partially because I was uninformed; it's not exactly public knowledge.

But there was a fantastic piece of business having to do with Travel Channel and advertising for poker money. There's also a big issue having to do with games of skill, different state laws that govern this, versus contests which are random. This all is a pretty complex area.

Another big issue, of course, I think of horse racing, and the thing that strikes me is that most of your advertising is regional, not national. We're a national brand, so it's a slightly — that to me is the bigger lifter; could we take a million Santa Anita spots?

Sure, we'd love to take a million Santa Anita spots, but it's probably not the most effective buy given that they're locally based. So regionality is a big element for horse racing advertising.

**MR. ANTINORO:** Steve, I also think it's in the presentation as well. I mean, yes, at the end of the tournament you can see the \$5 million thrown on the table, but for most of the poker we don't really talk about the money that much.

And if you present it well it becomes — Ian made a comment before, it's all about competition. With ESPN that's 100 percent the most important element in all our telecasts, it's about the competition.

So what we find is that if you do it the right way, the chip count just becomes a score, doesn't become money so much as a score. So if you present it the right way — of course, at the end it's still gambling and people are still going to win or lose. But I think if you present it the right way I think there's opportunity there.

**MR. CRIST:** Let's come down the table the other direction this time.

At least for the near future, much as we would like to see reality shows and handicapping tournaments, for the foreseeable future the bulk of time that racing gets on TV is going to be one hour shows and, "Welcome to the 56th running of the Ohio Derby," or whatever it is.

And I'm wondering — and we'll start with our two non-full-time racing guys and then let Basil defend himself.



You, Ian and Michael, must have seen these mainstream racing telecasts, and I'm wondering if you have any thoughts on how they might be improved, jazzed up, made more compelling; and whether in fact there are any aspects of reality TV or the poker telecasts that could be integrated into these more conventional racing telecasts to make them more interesting and appealing?

**MR. VALENTINE:** You know, I can't say as I've examined it in detail. It feels to me like Basil has, I thought his answer was pretty good. The key is it's about people, not about horses.

And I think you've got to figure out a way to tell people stories and what they get out of it, and varied people, that — one of the things I was watching on the Kentucky Derby, you see the movie stars there; that's good, celebrity is good. So you've got to always be telling people, that's what the media market is really all about.

And ESPN does a fabulous job of having hundreds of stars in different sports. That's what people attach to these people and that's what they want to see. It's harder to do that with a horse. It can be done, but how many horses a season can you do it with? So that would be my observation.

**MR. ANTINORO:** I might tend to agree. It's definitely — I think there's three things. Back to where I mentioned before is that it's all about storytelling. And everything you do, every half hour, every hour you put on television you figure out a way to tell a story in that half an hour. I think that's going to be the key element.

And it is definitely about the people. And the horses for that matter, and the people around the horses.

You know, in poker I think we touched on before that the divergence, the different types of people. It's incredible. And you can always find something interesting in one or two of these people. And it's a challenge also.

You don't want to spend too much time on that because then it just becomes a show about people, and all of a sudden the competition is gone, which we've already decided is the most important thing.

So if you could figure out a way to weave these kind of — introduce these people and get their personalities out there, it's great that Ian says, you can pick out everybody on that tape, and that's — hopefully we've done a good enough job introducing you to these people, but you really get to know them through the competition. So I think that's one way.

And also something you take advantage of, how you cover the event. The hole cameras. Everybody kind of looks to poker as being a big technology, a big change in technology in poker. Those cameras have been used in Europe since the '90s, so they're not really brand new.

But what I think we've tried to do, and some other networks, is you don't just use that camera to show the cards, you use that camera to show a reaction shot or you use that camera to show someone upset and they put their head down. So take advantage of what you already have in place and see if there's innovative and new ways to do that.

I think you guys are ahead of the game because just the fact that Basil's even thinking of these things beforehand is a lot more than most sports do.

**MR. DeVITO:** Just to come back to, traditionally we've pretty much been in a box. On one hand the absolute finite resources for production. There's a number, there's an amount of time, that's all there is. This is not a network funding, it is an organizational funding, so on one side you have finite resources.

On the other side you have the timing and access to the quality of race. Again, we're talking late afternoon, Saturday, Sunday.

On the other side you have the competitors themselves, the almost total lack of influence by television on who actually is competing, such as the horses themselves, and what we all know that the we can't plan anything on that, so it's hard to really pre-promote, pre-produce into not knowing who's actually going to compete.

And on the last side you have television competition in that our programming in those Saturday, Sunday afternoon time slots almost always is against live sports, and then you also have the traditional times of the NCAA tournament, college football and ultimately NFL football, which really plays right into our time slot.

So rather than trying to do the same things inside that box, it comes back to, what can we do different outside the box? We talk about the National Handicapping Championship, that's one thing. Hopefully that will spur some new types of programming.

The second is different time slots. We have at least one prime time telecast scheduled for 2005 with ESPN, and are looking at creating another, which could provide us with a totally different look in a different day part than we've ever tried.

And then third are the other aspects. Financially feasible or not, the European camera angles that we have seen in racing, which are used extensively, which is really because of how the physical plant works, because of the length of the meets and different things of that nature, but it is certainly something that we have looked at, need to look at much harder and try to figure out how to utilize the resources we have or get more resources to provide those camera angles, and then continue, I think, to draw inside the format.

You know, one of the things I wrote down here is we talk about stories. Perhaps we have spent a lot — we have had an increased focus on number of races and quality

of races and divisional rivalries, etcetera. We also spend one hour trying to tell an awful lot of stories.

And so maybe one of the things we're looking forward is within any one hour, trying to focus a little bit closer on fewer, stronger stories. It's a box but we have to get outside that box.

**MR. CRIST:** My final question before we throw it open: When I've discussed this idea of how can racing borrow from the success of poker, one of the things I hear frequently is that handicapping horses is just so much more complicated a game; and whether you're talking about thoroughbreds, greyhounds, standardbreds, the very idea of explaining a past performance line to people on television is just deadly television and too complicated, and people will never get it.

So I'm wondering how you guys feel about the complexity of racing versus poker, the user-friendliness of teaching it on television, and whether there is a way that we can get around that perception that racing is a very complicated game best played by experts.

**MR. ANTINORO:** I mean, you're right, Texas Hold 'em, everybody's played poker at some point in their life and Texas Hold 'em is a pretty easy thing to explain. But I think what we would have to do is come up with something that's very basic that you can explain at the top that will just give someone that has no idea how to handicap at all a basic idea of how it is.

And then you have to, throughout your telecast, figure out subtle and also at the same time entertaining ways, it's a challenge, to kind of enhance that explanation, so by the end of the telecast they've learned a lot about handicapping but they haven't been hit over the head with it, they haven't been bored with it at the top.

So maybe at the top it's just lay it out and then throughout your production, figure out a way to kind of weave more of the intricacies in.

**MR. VALENTINE:** Let me raise the bar on that. I think this is a huge challenge, and I can say this from working at GSN, and this is what really makes poker work. It's play-along-at-home.

In other words, you're sitting there as an audience member and you're going, "Would I raise? Would I bet? Would I fold?"

This is classic game show stuff. We do a blackjack show, we're doing a poker show. Very play along.

So the question is, how can you make handicapping play along at home? I don't have a quick fix on that, I don't know. But that's what you've got to do. That's the key to poker, that's why poker is watched again and again; because you sit there and you can actually go, "Would I? Wouldn't I? What would I do?"

The announcers are talking about it, you are ahead of the narrative as far as it's a unique form. I've made a hundred movies, I've made mini-series; I've never seen a show where the audience knew more than the players. It's very odd if you actually compare it to all other forms of Hollywood entertainment, but that key insight, putting that camera, what they did in England to figure this out, a little rabbit cam that allowed the players, people at home to play along.

You've got to figure out a way to make handicapping a play-along activity for the passive viewer at home. That's the challenge, that's the bar.

**MR. DeVITO:** I would agree with all of that, and I think the challenge we have is taking the access to national hours, and utilizing that resource and making it work better for us, making it work harder for us, being able to do more with it, and to that degree one of the things that Mike had talked about is years ago poker simply wasn't covered; it was reported on, it wasn't covered. And I guess that's okay.

If it's a major NFL game everyone's coming there with a certain bit of knowledge and coverage is enough. And perhaps the mix of what we do when we go create any one one-hour telecast is providing coverage to what that day, those races, those competitors, those people, that racetrack gives us in that one day.

And hopefully coming out of not only the handicapping championship but some other work with producers and productions, it may require some more bits of pre-produced material that fits inside those telecasts, so that we're not in that box of between 1:00 and 5:00 on any Saturday afternoon at any one racetrack, and who is there, what trainers are there and what they're doing, and how the horses have come up to that race that day, and whether it rained.

That's a lot of decisions to be making on the fly and a lot of things that as television producers we have no control over. So if we have control over — we have this hour, we have a goal, we have a story to tell and we have a clear vision that — the other thing about poker is while now we look up and suddenly we've all learned about the turn and the flop and the — that's about as much as I've learned. But we didn't learn because they said, "Here is the" — it's repetitive. It's after a long time. I think we have to also have the guts to stay with it.

If we make some changes and we do some things that might not necessarily immediately flow to us and say, "Whoa, that's a little jarring, why are we in — why are we coming in tape in the middle of a live racing show?"

Well, it may be the solution for us to be delivering some information in a different form that looks, might look better because we have control over it; it definitely should have a good beginning, tell a story and deliver a message that we're trying to deliver, and it may take us a couple of years to make people at home actually get the benefit of that.

One thing we may have as a group been a bit impatient with trying to go in certain directions and have we given it enough chance to grow in that manner?

So I think those are the challenges we have is, once again, to — we have finite resources and finite opportunities, but should we attack them different ways?

**MR. CRIST:** I lied, I have one more question for the panel, then I will throw it open. I just wanted to get from each of you your thoughts on how the Internet fits into what you're doing.

It would seem to me that there's a pretty strong Internet component certainly on the fan side of reality TV, on the online playing part of poker, and I'm just curious as to how the NTRA, ESPN, and GSN plan to use the Internet as part of their presentation.

**MR. DeVITO:** As far as the NTRA is concerned, obviously we understand the preferential position that thoroughbred racing has with the Internet. It's a distinct advantage for the future. The challenge is not totally dissimilar to what we talked about, about wagering commercials.

We need to, both within our own industry, where do we drive the people to? How do the disparate parts of our industry who does — not necessarily one place or one agreement of how you interact with our sport on the Internet.

So to the idea which Ian talked about is the effectiveness of a national delivery system with multiple, either — they're not regional on the Internet, but multiple executions is the challenge.

We have done — we've been very fortunate in working with ESPN so that ESPN.com has elevated the horse racing aspect of ESPN.com, and integrated that much better.

But as a direct line opportunity to be interactive at home, take advantage of the true advantage which thoroughbred racing will in the future enjoy on the Internet, from a television perspective I don't know yet how we can maximize when the opportunity to expose, where do we send them, what do we tell them and how many different messages are those today?

And I think that's something that as an industry we will have to work out before we can get the true value of what that opportunity is for us.

**MR. ANTINORO:** The Internet's interesting because when we discuss why has poker had the renaissance in the past two years a lot of things can contribute to that. It's part of pop culture now, maybe it's just a whole retro thing that people we like it.

But my personal feeling is the Internet is the number one reason why; before the advent of the Internet lot of people played poker. You had to get six or eight of your friends together, you played poker together every Saturday night or something.

Now you don't even have to have a friend. You can play poker 24 hours a day seven days a week, and I think that's just really — people that may have been a little embarrassed to maybe go to Vegas and play, they're not sure, they can practice at home their skills and then they're out there.

So poker players and poker fans are being created because of the Internet. And that said, you'll probably agree with me here, if you're a television network, the Internet is as much a competitor with you today as movies are, as other networks are, as I-Pods are.

Basically with so many options, forget the 500 channels on television, there's so many options for people with their free time, so the Internet, we have to do the things that Basil is saying.

But at the same time you don't want to push them too far because then they're spending their free time on the Internet and not watching television. So it's really an interesting relationship that I think each show has to kind of figure out on their own.

**MR. VALENTINE:** All right. GSN is the most interactive channel out there. We do 70 to 80 hours a week of interactive programming right now. That means you can play along in synch, there's significant extensions online; we're going to go to 24/7 interactivity online next April.

This is a key competitive advantage for us. It's helpful that we're playing game shows a lot, and so if you want to play along as I described, you can go online and in synch, you know, it's called a two-screen solution or wire. We have a single screen solution.

You can make your plays with the poker players who are playing with you. Or you can make your plays and assess them as if you were at the table, you can actually do that. In addition, you can play — we don't have a poker machine up, but you can certainly play a lot of blackjack at GSN.com if you want to.

And here's the challenge: We find that some shows are easier to make interactive than others. Obviously those game shows, I mean, the killer apps we have are, "Win Ben Stein's Money," "Jeopardy," "Whammy," "Lingo." I mean, we have this little show Lingo.

I'm sure we have niche in this; have you ever seen this? Lingo? Okay.

There are 10,000 people — we took the show off the air, cancelled the show. There were 10,000 people who created their own Lingo league and are out there playing Lingo, okay? Mind-boggling.

So for us, particularly if you own intellectual property in the game space, that's an aspiration for us. We do it. The challenge is, I think, that some shows like this

reality show, American Dream Derby, that's going to be really pretty hard to make an interactive show because it's about kind of normal human drama.

Having said that, you know, I would say that it's a huge opportunity particularly as you want to train people how to handicap. You know, there's a million poker games you play for free that sort of exist in a virtual world. How can you do virtual handicapping? That's a fantastic interesting idea.

I'm sure it's being done actually. So you can look at a lot of different ways for people to engage in your product, however they might do it. We certainly are aggressive on it because bluntly it is a key competitive advantage we have over others.

**MR. CRIST:** Thank you. I will throw it open for questions now. And you've been very patient so you get to go first. If you could please identify yourself before you ask your question for the benefit of the stenographer we'd appreciate it.

**A VOICE:** I'm a racing commissioner from West Virginia. And West Virginia is tackling a problem right at the present time, and I was wondering whether in the future that table games will play any role in the discussions that you're having now pertaining to just poker?

**MR. VALENTINE:** Are you asking would we do other table games than poker?

**A VOICE:** In other words, are table games being able to be worked into future plans maybe of having not just poker but maybe blackjack and some of the other?

West Virginia is tackling that this month. We'll know whether table games are going or not by the first of the year.

**MR. VALENTINE:** We do blackjack, we own the title The World Series of Blackjack, so we do a lot of blackjack programming, it's quite popular. So definitely. I've spent a lot of time on developing craps. Talk about handicapping, forget it. Craps is ridiculous.

So we might see — I think craps can be a celebrity format, Snoop Dogg: "Hey, man, I want to do a craps show."

So we're going to try that. I'm looking at gin and I'm looking at an African-American game called Bid Whist, which are interesting games.

I mean, the great thing about poker is it's a whole graphic stunt basically. That's what it is. And I mean, it's interesting to look at, you know, the work that ESPN is doing and the work we're doing, and I bet you look at this tape and you go, "You know what? That's not good enough yet. I can do it better next year. I know how to do those graphic treatments."

I mean, this thing is evolving very rapidly. Everybody — "That's a good idea, I like that." You know?

I mean, I'm looking at the cards he's got going; I'm going, "I wonder if I should use those cards? You know, I wonder if I should do that? I don't like that treatment."

So all this stuff — poker's opened up a whole kind of R and D on all sorts of table games, it's a big graphic play. I like the way we do blackjack, I think we're doing a great job. We're looking at craps, were looking at all of the games.

The thing that's fun about poker; why do Hold 'em, you know? It's an interesting thing. Omaha is another game you could do. Hold 'em is a very simple game to present on television. I mean, I'm not sure, Mike, what success you have with the other games.

**MR. ANTINORO:** You know, it's a good point. We did Hold 'em, and Hold 'em's a big money — that's the big money game, so that's why we did that. First year we did seven hours of original programming, last year we did 22 hours. And of those 22, 10 of them were these different games.

We did "Omaha," we did "Razz," we did seven card stud. And what we found was that people love Texas Hold 'em; they watched the other things too. It's a little more difficult. Again, in Texas Hold 'em there's five cards in play and everybody else has two.

Seven card stud you could have 49 cards in play. I mean, you could barely see the players with all the cards up there on the screen. So that was a lot more difficult game, a lot more difficult to follow.

But now we are just scratching the surface with poker, and I think for ESPN we're going to stick to poker. If anything we'll do more of the Omaha, more Razz, more poker games. And that's more — honesty more than anything else. We just don't have the schedule to expand that much more.

Poker is just part of our whole portfolio with the NBA, NFL, college and all that. So I think for now we're just going to stick with poker and, if anything, try to do more different disciplines of poker and see if we can grow these as much as Texas Hold 'em.

**MR. CRIST:** Yes. I'm not trying to put too fine a point on it, but I'd also just add I think the great correlation between poker and horse racing is that they are the only two games where you can win through skill.

Because poker is effectively a pari-mutuel game. You're playing against the other players, you're not playing against the house. And a superior player can actually win.



There's no such thing as a superior player in craps or roulette or a slot machine, it's entirely luck. And I think it is that skill factor that's made poker and that we hope will make horse racing an entertaining television product in a way that other casino games just won't.

You know, to watch other people shoot dice or watch a roulette wheel I can't imagine would be very compelling programming.

Yes, sir?

**MR. JERRY CONNORS:** My name is Jerry Connors, you remember me from yesterday, I asked a lot of questions.

You were talking about involving the audience and tutorial are one thing on racing shows, and in harness one way to involve the audience I've always thought is before the race, instead of just doing the switch around and, "Who do you like? Who do you like? Who do you like? Who do you like? Who do you like?"

Try to predict or tell people how the race is going to go. "One, two and 12 go out to the lead, but seven who's the favorite comes from behind." That way they have an idea going into the race of what to count on.

"I like the seven but he's nowhere." If you give people an idea — I would gladly trade a three-minute feature for two experts saying, "This is the way the race is likely to go." People have an idea that they're involved, they have a stake in watching the race and they know what's going to happen; and at the same time you're teaching them trick handicapping.

So I just was wondering if that has any appeal to anybody.

**MR. DeVITO:** Well, from my juncture you've just described both sides of the coin. Whether we will take time to create programming in segments that we can control the message, and more eloquently and entertainingly deliver some aspect of what may be one more or five more or a whole bunch more people might find interesting, or flip the other coin to be much more technical and maybe a little bit more "Inside Baseball," where it's hard to determine how many people are going to stick with you while you're going to another level in that program.

And those are two schools of thought.

**MR. CRIST:** Yes?

**MR. FRED WEISS:** My name's Fred Weiss, I'm with Equine Earnings. I'm just wondering, because the poker thing I've been involved with, it seems like the bets could get on Internet; that's people would wager online in the U.S. on horse racing.

I guess I'm wondering your opinions as to why the industry hasn't been more successful in getting the word out. Is it tried, is it a failure? You know, have they attempted and failed or is it just a lack of expertise on the Internet?

**MR. DeVITO:** Steve, I don't have the foggiest idea. Have you got a better thought of that than me?

**MR. CRIST:** Well, I think the racing industry has done a horrendous job of informing people that you can wager online, and with the simple mechanics of it. You know, I can go to any poker site and register as a player and use PayPal to fund my new poker account out of my checking account, and I'm up and running and in business literally in 90 seconds. I can be playing with money out of my checking account in 90 seconds.

You try doing that in racing? Forget about it. I don't know of a single account wagering service that uses the Internet financial providers. You know, it's all — well, try to convince your bank that we're not illegal gambling and let them use your Visa card, or send us a personal check and wait 14 days for it to clear.

I think there's some very simple basic threshold issues that racing needs to solve with account wagering, and also the lack of a unified national account wagering service. I mean, the idea that an American horseplayer has to have accounts with from three to five different providers in order to bet on every track in the country is just crazy.

So I think that racing has been its own worst enemy in that regard. And there's a lot of room for improvement.

Yes, sir?

**MR. HERB McGIRR:** I'm Herb McGirr from Fort Erie Racetrack in Ontario, Canada. Like to thank you for your contribution here this morning to give us an idea how we can grow our business. As a sporting part of that, most racetracks each and every day have their own television productions. And I'm wondering, Steven, if some of your professional guests here this morning could give us some guidance in terms of how these snippets could be used in a better fashion to tie into an overall programming in terms of educating the present horseplayers that we deal with on those shows every day?

I'm wondering if you have any thoughts about that?

**MR. CRIST:** Are those shows being televised locally?

**MR. McGIRR:** Yes. Well, I see them locally on the simulcast market.

**MR. ANTINORO:** I certainly have one as a fan and a player, and I look at it not from the on-site, I look at it from the simulcast. I think one thing's very simple. The

majority of your viewers can't hear you. And I think most of those distributions forget that.

And in the simulcast setting — I took my dad to a simulcast outlet this past Sunday. It wasn't a huge day of racing but there's still seven or eight signals coming in. And the fact is you couldn't — you obviously can't hear any of the simulcast signals, and so he chose to bet the dogs while I ferreted out the thoroughbred simulcasting.

**MR. DeVITO:** On-site, yes. On-site that absolutely is a good execution.

**MR. ANTINORO:** To Basil's point, you probably will have to try to think of ways to spend more time on the graphic presentation since basically everything you're going to try to present to the viewer is going to be graphically and not much to listen to, so maybe just spend more time trying to figure out how to make the relationship with the viewer graphically.

**MR. CRIST:** All right, yeah. I don't think it can be underestimated how important graphics are, not only to poker but to all of television. Television has gone through a graphic revolution. The amount of data you're getting, watch ESPN, watch CNN, watch the Shopping Channel with its L, this stuff is thought through very carefully, a lot of time is spent on this.

Any game show has a significant graphic presentation. Do not underestimate this. There are cheap ways to do it. A PowerPoint presentation can tell you a lot about a graphic with some sketches. Horses go here, you know, and then you put your graphics up and the PowerPoint; you can try a lot of different things very efficiently, very effectively. That's a technique we use fairly often now.

See, you know, what this is going to look like, what graphics are needed. A lot of work has been done on the Internet which has to do with intuitive. Somebody's ease of use, intuitive clicking through, how that works.

Computers have had a big impact on the consumer's ability to grab graphics. I can't emphasize that too much; it's a very big element of what we do now.

**MR. CRIST:** Stan?

**MR. STAN BERGSTEIN:** There's been very little original thinking in the last 25 years on how to present racing on television. The last real — thought persists that a two-minute sports event requires an hour to present, so 58 minutes of it is fill or interviews or features.

The last original thought on presentation of racing was Bill King's in 1978. He was really the founder of simulcasting in this country. King had the idea, and sold CBS on it, that a race could be presented at half-time of a professional football game, and was, between Dallas and the Rams at the time.

The problem — Brent Musburger and I were doing the show. But the problem was that the last two minutes of the game took 21 minutes to play, with penalties and a lot of other happenings on the field; fights and everything else.

The thought is just as valid today as it was in 1978 with the Kentucky Pacing Derby, that a race properly presented is the only sports event you can do at half-time of a football game and tell the entire story between halves.

Basil, do you have any comment on that?

**MR. DeVITO:** Stan, I absolutely agree, and I think what you are alluding to in that instance, that football game took too long and caused some kind of headache? The problem being you got the same issue on this side, on the racing side today, 26 years later, is that if the window — if we can't tell you when the window is, when is that race going to get run? Are we willing to hold the post 20 extra minutes to hit that window?

I'm just, you know, sort of rhetorical question. Can we slide that post back? Because when the window shows up if — that football game runs a little different? That's one.

Secondarily, it comes down to our network partnership. Because otherwise it is simply a matter of economics. You know, it's a great idea, will an NFL or college organization allow that to happen today? Those type of things. But it's a great idea.

And one of the things we talk about is how willing is racing to accommodate a different time. What if that game happens to start at 1 o'clock, and so half-time is 2:15, are we willing to run the proper race, the race that will expose our best element of the sport to the biggest crowd at 2:15.

**MR. BERGSTEIN:** Better cheerleaders or marching bands.

**MR. DeVITO:** Well, if we can take advantage of that, it's absolutely a valid idea, it's the same thing. Would we run — if we were given a prime time opportunity in a mid-week night with no other sports on television, would we take advantage of it? And would we put a product in front of the audience? Remember, we don't want to advertise a product that isn't the best product we can put on the air. So it's a two-way street.

The opportunity's there, how flexible, how creative and how aggressive can we get?

**MR. CRIST:** I received word we do in fact have the tape about the American Dream Derby and Ian, do you need to set this up for people or —

**MR. VALENTINE:** Yes, let's take a look at this. I don't mean to end the questions but I think this is actually not completely inappropriate, certainly kind of ties with what I'm saying. This is a two-minute tease clip that was created for this, for you

guys, and we really haven't finished the show. But you'll get a sense of what a reality show set in the world of horseracing looks like. So let's take a look.

**(A tape was played)**

**(Applause)**

**MR. VALENTINE:** One thing I didn't mention here, you cannot underestimate the value of attractive women for your television programming.

Running is good too.

**MR. CRIST:** Well, on that note I'd like to very much thank this morning's panel, because I thought they did a terrific job. Please give them a nice hand.

**(Applause)**

And I would urge you please stay in your seats for another couple of minutes, I'm going to turn this back over to Wendy Davis and Steve Barham, and they have a brief but very important presentation to make.

**MS. WENDY DAVIS:** Good morning. It's my special pleasure to present a special award to a very special lady today. Every year the Race Track Industry Program presents the Clay Puett Award for Outstanding Contribution to the Racing Industry. And this award is named in honor of Clay Puett who certainly did make an outstanding contribution to the racing industry by developing the modern starting gate.

So we are pleased that we can honor Clay Puett and this year's award winner all at one time. Our winner this year is Trudy McCaffery. I know most of you know who Trudy is, and she's certainly a mainstay in California racing and the California bloodstock and the national bloodstock scene.

She's bred and raised such wonderful horses as Came Home, Free House, Bien Bien, Mane Minister and a number of others that we don't have time to list at this point.

She's also very, very active as board member or directors of such organizations as the CTBA, Breeders' Cup, Oak Tree Racing, the NTRA; and something that's very special to us here at the Race Track Industry Program is she also founded the KTTC, the Kids to the Cup.

I hope all of you are very familiar with Kids to the Cup, and you've hosted the groups at your racetracks. But this is an organization that opens up racing to young people, and instead of excluding them from our backstretches and from our business, they are included and made to feel at home.

They offer internships, scholarships and amazing behind-the-scenes trips to major races and racetracks all over the country. And Trudy, it's working. We see it here at the Race Track Industry Program. And in fact, when you all registered, you probably met one or two kids who were involved with Kids to the Cup and decided to make racing a career.

So we do see that it has made a huge impact on us here and I know it's making an impact on the racing business. What we find is that it enables students, kids and their parents to see that racing really can be a career. It's a wonderful industry to get into, and we see young people coming to see us with their parents with full support behind them in their career choice.

So we are so pleased today to be able to present out award to Trudy McCaffery, and she's here with us today. And to make that presentation is Rhea Puett? Come on up, Rhea.

Clay, until he almost reached his hundredth birthday, was here to make this award himself. Unfortunately, we lost Clay a couple of years ago. But Rhea is here to make this presentation to Trudy.

Trudy, thank you so very much for all the work that you do.

**(Applause)**

**MS. TRUDY McCAFFERY:** I'm sort of overwhelmed. I couldn't — I just want to thank everybody. I was particularly proud last night when I walked into the hotel and I saw five of my alumni standing there working for the convention, and again this morning. I can't tell you what an honor it is to receive this, and what gratitude I have to everybody in the industry that's helped me keep this organization together.

We have over a thousand members now, and my great thanks go to my good friend and executive director John DeSantis, I couldn't do it without him.

Thank you everybody in the industry.

**(Applause)**

**MR. BARHAM:** Thank you very much, enjoy the break. And thank you, panelists, again.