



**Tuesday, December 10, 2019**

## **Racing and Television – Unleashing the Opportunity of Increased Exposure**

**Alex Waldrop:** Alex Waldrop, President & CEO, National Thoroughbred Racing Association

### **Speakers:**

**Tony Allevato:** Chief Revenue Officer, President, NYRA Bets

**Kevin Grigsby:** Executive Producer & Senior Vice President of Television, TVG

**Amy Zimmerman:** Vice President and Director of Broadcasting, The Stronach Group; Producer, NBC Sports

**Ms. Jane Murray:** All right.

First of all, I'd really like to thank the Jockey Club for sponsoring the Mentor Luncheon this noon.

The Mentor Luncheon is a great experience for the students because they get to sit and have lunch with their mentor of choice, and we really appreciate the Jockey Club's sponsorship for that.

Our first panel, this afternoon, deals with racing and television, unleashing the opportunity of increased exposure. To moderate this panel, I'd like to introduce Alex Waldrop, who's the President and CEO of the NTRA.

Alex?

**Mr. Alex Waldrop:** Thank you, Jane.

It's an honor to be with you this afternoon. I think we've got a great panel. We've got lots to discuss, so let's get goin'.

First, I want to provide some context for our discussion today. This is my — well, let's just put it this way: I've been coming to this event since the early '90s — long time — and I can remember, back in those early days, we did then what we do now, which is casting at ourselves for all the many things we do wrong as an industry.

I have some great ideas, but also are a pretty good self-critical industry, as a whole, and one of the articles of faith, always, was repeated for the first several years when I was here, was that horse racing missed the boat where television is concerned.

We missed it in the '80s.

We're hopelessly behind.

We are doomed to fail because we'll never catch up.

Well, I'm here to tell you, today, that this group that will present to us today is going to prove that premise wrong.

Today, racing has never had more content on the airwaves. We've never been stronger in the presentation we make, not only the television, but in digital media as well. I think it's truly one of those good news stories in racin' that we don't hear enough about.

Joining us, today, to talk about this issue are three individuals involved in virtually all of horse racing coverage that appear on Fox, TVG, and NBC.®

Tony Allevato is here from the New York Racing Association.

Kevin Grigsby is here from TVG, and Amy Zimmerman is with the Stronach Group, and she's also with NBC.

I have a series of questions for each of them that I'll ask, and then, at the end, I'll open the floor for your questions as well.

Let's start with Tony Allevato. Tony is the New York Racing Association Chief Revenue Officer and President of NYRA Bets. He has worked in the sports, television, and racing industry for over three decades. In 1998, Tony became the first producer hired for TVG and served as the executive vice president.

After 14 years at TVG, Tony went on to the NFL network where he served as the coordinating producer of the league's flagship show NFL Today Access.

Then, in 2016, NYRA named Tony Executive Producer and President of NYRA Bets. He subsequently launched Saratoga Live, an award-winning show that, this year, aired 80 hours of programming on Fox Sports and regional networks across the country.

Let's start by rolling a video from Saratoga Live. If you will, please.

### [Video Plays]

**Mr. Alex Waldrop:** Good, excellent. Tony let's start with the Fox relationship. Tell us a little bit how that evolved into what it is today, which is obviously very impressive.

**Mr. Tony Allevato:** We're fortunate that Fox, a gentleman named Mike Mulvihill, who's brother Jim, although, actually works for Churchill Downs, is a big support of horse racing.

For the longest time, we did replay shows that aired every night in MSG Network, regionally, in New York, and they were great shows.

We put a lotta money into them, but they really didn't serve a lot of purpose, in this day and age, when people could pull up replays on their phones or on their computers, instantly, or 30 seconds after a race.

We decided to shift our attention towards live programming where we thought we could really move the needle and attract new fans.

Our original idea was to go region to region and do shows on the different Fox regional networks for selected big days.

We produced a pilot.

It was a cigar mile.

We presented it to Fox.

When they watched the pilot, they really liked it.

They said, "Hey, instead of going regionally, would you be interested in doing a national show on Fox Sports 2?"

We loved the idea, so we launched Saratoga Live three years ago.

We did 80 hours, as you mentioned, that first year.

Next year, we'll be doing 700 hours. It's really picked up a lotta momentum.

**Mr. Alex Waldrop:** Wow.

Tell us a little bit about your overall strategy with this Fox partnership.

**Mr. Tony Allevato:** I think that, for us, we recognize the significance, as you mention, and importance of getting racing on TV and reaching a mainstream audience.

We feel like, with everything that's goin' on with sports betting, that there's a unique opportunity, right now, to tap into a new audience that's out there.

To be on a network that has — the Yankees will be on, soccer, different sports that they carry.

To have the opportunity to be around that just gives us a better chance, we think, of getting the casual fan to watch and, hopefully, convert over and become fans.

Our goal is to — every show, we go into it trying to entertain, educate, and inform.

When we say inform, we mean make sure that we're giving the betters the information they need to be able to wager on the race and show them the post parades and not miss anything that they need, educate in terms of people who are just new to the sport.

Or, in the case of a Maggie Wolfendale, who we have in the paddock who does an unbelievable job — I learn from her all the time where she is telling me things that I can't pick up by just reading the racing form, by looking at the body language of a horse and telling me a horse has a turf hoof as opposed to a dirt hoof.

Then, of course, we're in the entertainment business, so the shows have to be entertaining.

That's why it was really important for us to assemble the talent that we have.

I know one of them's here today, Johnathon Kinchen who's back there.

It was his first year with us.

He's just a great personality for us and a very fresh face and has a fresh take on horse racing.

For us, the hard part is getting people to watch.

Once we get them to tune into the shows, our job's not done at that point.

We want to keep them watching.

**Mr. Alex Waldrop:** What about viewership? Tell us a little bit about how that's grown. What are the numbers right now?

**Mr. Tony Allevato:** The viewership's up.

We're in an industry where there's a lotta cable-cutting going on.

People are watching less and less television or traditional television. If you look at the pattern of what's going on in television right now, close to 90 percent of sports and news is being consumed live.

People watch sports live. They're still watching it traditionally. Whereas, if you look at scripted television, it's the opposite.

Ninety percent of it is being watched either on DVR or over the top via Netflix, HBO Go — whatever the app is — Amazon Prime. There's a big opportunity for horse racing because sports is the one thing that people still need to watch live.

If you're wagering on it, you definitely need to watch live 'cause we all know that, if we're rooting for our horse, it's got a better chance of winning if we're watching live than if we're watching on tape.

That's helped us with the ratings, and the ratings, like I said, we're up about 140 percent over last year, which is really amazing.

We also have more hours this year, which has contributed to that. Being on, on a regular basis is an important thing for us — and the consistency.

Having shows that are just sporadically on a network, for us, didn't work as well.

Once we're on, on a regular basis, it helps get people used to tuning in and watching.

For us, I think the big opportunity with sports betting is you've got people, now — as states become legalized for sports betting, people are opening up a betting account. They're betting on a college basketball or football game that they probably couldn't name one player on either team.

Because the game's on ESPN2, they're gonna bet it. Now, they've either one or they lost, and, the next day, there's nothing happening until 7:00 p.m.

Well, horse racing has perfect live filler programming available, whether it's NBC, TVG, or on Fox where people, now, who are looking for action and looking for something to bet on have an opportunity to come to us.

Hopefully, they're gonna learn, and the reality is they have a much greater chance, if they take the time to learn our sport, to win and make a score than they do betting on a college basketball or football game.

**Mr. Alex Waldrop:** If I'm a racetrack here, I'm looking at this, and I'm thinking, "The number of cameras, the talent, other investments, how's it possible for another track to replicate what you two have done here?"

How's it possible to afford or this kinda coverage?"

Describe the commitment that NYRA has made to your simulcasting and your television.

**Mr. Tony Allevato:** Well, we're very fortunate, in New York, that we have a lot of money that we're able to put into facilities.

The simulcast show has benefitted from the shows that we're doing on a daily basis.

On a regular day, at Saratoga, we'll have 35 cameras at the racetrack, which rivals any major sporting event.

Because of that, you'll see, hopefully, an improvement in even our simulcast show, which there's the ripple effect from what we're doing, on the Fox shows.

It's interesting though.

One of the things that you saw on the video was the virtual lines that we put on the turf course during an inquiry. When we first started doing that, we thought that the stewards would want that video, want that to be able to help them during inquiries, and it was actually the opposite.

They did not want anything to do with that. Sometimes, I think, in horse racing, we're a little slow to embrace technology. All these extra cameras that are out there, hopefully, can help us with what we're doing. The typical racetrack — I think, that we've seen it in the past — I don't want to speak for Kevin, but they've

— a lot of racetracks have stepped up their production in terms of what they're doing because of the relationship with TVG.

We do Fox Sports Saturday at the races where we do shows with Oaklawn Park and several other tracks.

We've found that we're able to supplement what they're doing with additional cameras and produce a show around them.

It's not an impossible thing to do, but obviously some investment needs to be made on the technology side.

**Mr. Alex Waldrop:** How would you say the industry has responded to these Fox broadcasts?

**Mr. Tony Allevato:** The response has been terrific. Everybody has been super supportive of what we're doing.

We have great sponsors with America's Best Racing, Run Happy, and Claiborne has been terrific. The industry's been great.

We've had a lot of people asking how they can get on the shows. Horsemen come up to us and tell us they watch the shows on a regular basis.

For us, we want to keep the momentum going, and we wanna keep our eyes on the finish line, so to speak, in terms of what we're trying to accomplish.

We really think that this is an unprecedented opportunity in horse racing that we've never had before, and we've just gotta make sure that we, as a group, all of us, take advantage of it and do the best job possible.

**Mr. Alex Waldrop:** Let's talk about that just a minute. Sticking with the theme of maximizing the benefit of this exposure, how do you use this to reach out to new fans, new owners?

How do you use this property, this platform to grow the business?

**Mr. Tony Allevato:** Look, it's a very intimidating sport, so that's one of the things. I use the analogy of a college basketball or football game.

The truth is, the average sports fan thinks that if they watch SportsCenter or they've got the Bleacher Report app, that they have an edge in betting. The truth is they have no edge when it comes to that. In a lotta ways, what horse racing is doing, from a television standpoint, is lightyears ahead of anything you see.

Watch an NFL pregame show on any network, and the information they're giving out is nothing compared to what we give out on a daily basis on a horse racing telecast.

If we can get the people — if you can get them to come, we believe we'll get them to come back.

Our ultimate goal is to get them to come to the races because, once we — we believe, once you come to the races, there's a much greater chance of you being a fan.

Now, the other thing you touched on is the ownership side, and we feel like, for the longest time, the ownership experience has really declined in terms of the experience when you come to the races.

One thing we try to do — we have a rule on our shows that we interview at least one owner per show.

It doesn't sound like a big deal, but if I own a \$10,000 claiming horse — which, let's be honest, the chances of me making a lotta money with a \$10,000 claimer aren't very good.

For me, it's a social thing. It's an ego thing. I've owned claiming horses, so I've been there.

Knowing that, if you go to the races, and if your horse wins, there's a chance you're gonna get on TV, it increases the chances of getting those owners, first of all, to come to the races, and it just creates a much better experience for them.

We feel like there's no silver bullets out there, and TV is not a silver bullet, but if we can do this right, and then the other things that everybody else is working on can all come together, then I think we can really get horse racing going in a positive direction.

Again, I can't stress enough, I think this is — there's never been a better time to be in horse racing, the last 50 years, than we are at right now, even with everything that's been goin' on.

**Mr. Alex Waldrop:** Let's switch gears just a little bit.

Where do you envision the Fox relationship being in five years?

You think there's a sports betting play here?

**Mr. Tony Allevato:** Well, I think that a difference between us and TVG, with their alignment with Paddy Power and FanDuel, is NYRA is never gonna be a major player in the sports betting market.

We know enough to know that that's not gonna happen. Hopefully, we'll have a role in sports betting in New York, which is our market, but we believe that — it's our opinion that we want horse racing to be offered on every sports betting app that's out there, and that's the only chance we have of getting people to cross over.

If people have a single-wallet experience where they don't have to shift money, open a new account to bet — if I bet — I'm just making' this up — William Hill or FanDuel or Draft Kings or whoever it is, we want them to be able to switch over and bet on a horse race, and I think that's where we're gonna really see the upside of what's going on with horse racing.

With Fox, we'd love to be a part of what they're doing from a Fox bets standpoint.

We'd like to see NYRA Bets incorporated in other betting apps, as well, as a plugin or something that people could then bet right into the pools, and it's a one-stop shop for people that are looking to bet.

**Mr. Alex Waldrop:** You don't see sports betting as a threat to horse racing.

**Mr. Tony Allevato:** Look, I think that there's always — I think it'd be a little naïve to say there's no chance of it not being a threat to horse racing.

I think, if we don't embrace it and — we need to be partnered on the sports betting side.

It's like technology. If you're afraid of technology, you're gonna get run over by it 'cause it's here.

Sports betting's coming. It's not gonna chance.

The question is, do we wanna be isolated and away from it, or do we wanna look at it as an opportunity to get people to cross over?

Will there be some cannibalization?

Will we lose people who are betting on sports and not betting on horse racing? Probably, but the general sports market is so much greater than the horse racing audience that's out there.

We only need a small fraction of those people to cross over for it to really change what we're doing in the sport. Some of those people will become owners as well. That's where we really think that it can make a difference.

**Mr. Alex Waldrop:** Great.

Thank you, Tony.

Let's switch now. I wanna, now, direct my attention to Kevin Grigsby.

Kevin is the Executive Producer and the Senior Vice President of Television for TVG and TVG2, which, formerly, was the HRTV.

Kevin's been with TVG for more than 20 years, overseeing production of more than 10,000 hours of live television each year, including broadcasting more than 60,000 unique horse races from around the world.

Kevin was one of the first TVG original producers, and since the network's launch in 1999, he has moved up the ranks from producer to senior producer to VP of programming to executive producer and finally adding senior VP of television to his duties.

Kevin's job is creating and executing TV programming, and it still grows all-source betting revenues for TVG and its racetrack partners.

While using his institutional knowledge and historical experience, Kevin also uses data and analytics to create live television that is proven to not only grow all-source betting revenues, but also increase viewer ratings and improve engagement for the sport.

In addition to Kevin's TVG duties, he is also accountable for content development with the FanDuel group. This involves overseeing the creation and production of video content for sports betting and daily fantasy sports customers around the country, including within the seven million customer FanDuel database.

Let's cue the TVG video, if you will, please.

### **[Video Plays]**

**Mr. Alex Waldrop:** Twenty years. Kevin, you've been with TVG from the beginning.

What do you think are the biggest changes in TVG's approach to covering horse racing, which equates to this 10,000 hours, annually?

**Mr. Kevin Grigsby:** Well, the biggest change over the last 20 years — it probably started 5 or six years ago when we created a content strategy that ultimately takes our television network, and it just aligns ourself with the industry holistically.

It forces us, happily, to work, every day, with our track partners — all of them, including Thoroughbred, Standardbred, and Quarter horse.

It allows us to use the network as a bullhorn for the breeding industry, and we also use the network to leverage the good initiatives that we have with the NTRA and the Breeders' Cup and the Jockey Club.

When we put all that together and started executing this content strategy over the last few years, we found that there was a common theme amongst everybody in racing, and that's, really, there's no seasonality to horse racing.

Rarely, do we get days off, if ever. Takin' that philosophy of just this sport is always on, we decided to do the same with our television network.

Alex, you asked what the difference has been over the last 20 years.

Ultimately, our investment into always being on, and always being there and our dedication to making sure that we're there each and every day for the sports has been a priority of ours.

The runway leading into race one is just as important as race one itself.

Race one is just as important as race eight, in our opinion.

Again, using our television network to be there and to capture all 60,000 live races that we televise nationally, on an annual basis, and to broadcast 10,000 hours of live sport is certainly somethin' that we're proud of and has been the biggest change over the last 20 years.

**Mr. Alex Waldrop:** I think it's fair to say that TVG is perceived, by many, as a pure-play — a directed, targeted at niche horse players — just a horse racing audience.

Would you agree with this sentiment?

Is this something you embrace, or is this something you combat?

**Mr. Kevin Grigsby:** Now, look, we don't apologize. We're the network for horse racing, and we put that first and foremost.

It's a similar model that the golf channel does with golf.

Horse racing's in our bones.

It's in our DNA.

It's a core part of our business.

It's a pillar for what we're going to do not only for the last 20 years, but what we're gonna do for the next 20.

We are not apologetic that we are a horse racing television network, and we're gonna continue to be.

**Mr. Alex Waldrop:** I live in Lexington, Kentucky, and if you live in Lexington and you have basic cable, you get TVG. Of course, Lexington's a unique place.

What kind of viewership do you have, or how many homes are you in TVG right now?

**Mr. Kevin Grigsby:** TVG is on a linear television basis with just a normal television, whether it's DirectTV or Dish Network, Verizon, Comcast. We're on all of those platforms.

We're in 45 million homes, nationally.

Distribution is a priority of ours.

We're trying to increase that on an everyday basis.

You asked about ratings.

Our viewership has grown, as has Tony's, in the last year, with Fox Sports 2.

During that two-year-period, as you saw in the video, our ratings have grown 20 percent with our linear television programming each of the last 2 years, so 20 percent 2 years ago and 20 percent on top of that this year.

That's in a period in which we launched our programming on digital over-the-top platforms as people cord-cut, and we also put our programming on our wagering websites as well.

Even though we have these added distribution methods of showing our programming available to people in the last two years, we're still seeing double-digit growth in our ratings on a regular TV basis.

**Mr. Alex Waldrop:** You mention, in the video, that TVG continues to invest in horse racing and its overall programming.

Can you tell us a little bit about how the TVG works with its partners, the partner tracks, to improve the presentation?

**Mr. Kevin Grigsby:** Well, look, we are so aligned, like I said, with our track partners on an everyday basis, and one of the first questions that we always ask racetracks when we go to broadcast live from the racetrack is, what is important to them?

We wanna be able to broadcast their races, but at the same time, we wanna highlight the on-track experience.

We wanna be able to promote initiatives that our racetrack partners have for themselves with an objective of just growing the overall business.

If you see what we do with Keeneland Racecourse and Del Mar, those are — and what we do at Santa Anita when we're in Amy's house, we definitely go beyond just showing races.

We show what the racetrack experience entails. ®

We embrace the on-track experience, and about 50 percent of our job is to try to get people to get in their cars and drive to the racetrack each and every day.

**Mr. Alex Waldrop:** What about high definition television?

**Mr. Kevin Grigsby:** Yeah, so, Tony talked about cord-cutting out there.

From a regular TV distribution standpoint, Tony's right.

A lotta people are cutting the cord, but the last bastion seems to be live sports.

People are hanging on to live sports because watching it live is the thing to do.

We've taken added investment into not only looking to increase our distribution and to get added HD carriage around the country, but we're taking initial steps, by

getting our programming on over-the-top connected devices, similar to what you would see with ESPN+ and entities like The Zone.

We have TVG and TVG2 available on Apple TV, available on Amazon TV, on Roku as well. That is in HD.

That's the biggest growth opportunity we have in regard to getting incremental audience at this point.

It's fantastic to see the numbers of people that are streaming our programming on a daily basis.

What's really, really cool is that we can get a lotta the data, in regard to their viewing habits, and what we're seeing is this younger generation of sports fans consuming horse racing off our television network on these over-the-top devices, and the average watch time is close to two hours a session, which is fantastic and something that we could all learn from.

**Mr. Alex Waldrop:** You mention digital. Tell us a little bit about the over-the-top mobile app that you've developed.

**Mr. Kevin Grigsby:** Sure.

The Watch TVG app that I just talked about, Alex, in which we're on Apple, we're Roku, and we're on Amazon, it's an app that, if you have a smart TV or if you have any one of those connected devices, you could download the app, and you could watch TVG. You could watch TVG2.

You could watch a third channel that we call Race Book, which is just a myriad of racetrack signals.

You could watch a fourth channel that are sports betting odds, whether it's NFL or NBA or Major League Baseball — whatever's out there in regard to sports betting.

There's live simulcast track feeds available for you to pick and choose from, if you would like, and a cool function that we see as being super popular at this point is video on demand.

We are putting dozens of videos on that platform, each and every day, that people are clicking and watching.

Whether it's education, whether it's informing them, whether it's news, whether it's letting them know what to bet and what's coming up, it's all content that's

being consumed by this younger generation of viewers that are consuming horse racing on a daily basis.

**Mr. Alex Waldrop:** You've teased this FanDuel racing in your video. Tell us a little bit about this.

**Mr. Kevin Grigsby:** Look, as a company and as a television network, we look to invest into horse racing two different ways.

We look at investing tryin' to go wider with the sport, and we look to going deeper. In an attempt to go wider and to get a wider audience of people interested in horse racing, we're happy to announce that, in January, we are launching a wagering platform called FanDuel Racing.

It is a horse race betting website, an app that is very elementary. It's very simplistic. It's very easy, if you've never bet horse racing before, to go to, and it's not intimidating in any way, shape, or form.

It's very educational. There's a lotta touchpoints on there that'll teach you how to bet horse racing.

Our objective is to take that platform and market it to the seven million customers that we have in the FanDuel daily fantasy database and hope that a percentage of those daily fantasy players will give it a try and try to make that first jump into betting horse racing.

In combination with that, as we sit here and talk about television, our job, as a television network, is to produce content that is, I guess, digestible and is understood by this new cohort when they do arrive into this funnel that, hopefully, will teach them how to turn around and make that first bet with confidence so they can then make a second and third and fourth bet, and they end up being fans for life.

We're real excited about FanDuel Racing starting in January and using the television network as a tool to educate and inform those viewers and customers in becoming lifelong racing fans.

**Mr. Alex Waldrop:** Are there any other new fan development tools that you have, right now, that you'd like to talk about? Anything else that you do?

I know, on a daily basis, you try to create new fans, but is there something you could speak to at this time?

**Mr. Kevin Grigsby:** Yeah, well, look, it's probably the combination — again, I talked about going wide and going deep.

The wide is the FanDuel, the over-the-top app that we're — or the FanDuel Racing betting app that we're putting out there and hoping to get new customers in here.

Going deep into the industry — the Watch TVG app, you guys should plug it in and check it out.

It really is a fantastic new digital platform and as people cut the cord and they migrate away from normal traditional television.

For racing to have this over-the-top app represents all the hard work that everyone in this room contributes to on a daily basis. It's gonna be a rocket ship for not only the industry, but for racing fans all across the country.

**Mr. Alex Waldrop:** Let's switch to sports betting, again, and the ongoing expansion across the country.

TVG is part of the FanDuel group, as you said.

There's a daily fantasy sports in more than 40 states.

Sports betting, now, in states like Indiana, New Jersey, Pennsylvania, West Virginia, and several other racing states are set to come along in the near future.

TVG has some sports betting programming now, More Ways to Win. Can you talk a little bit about that?

**Mr. Kevin Grigsby:** Sure.

More Ways to Win is a sports betting show that is aired before domestic racing starts on Friday and Saturday and Sunday.

Just to put everything into context — Alex mentioned it. It was in the video.

We do 10,000 live hours a year. We produce and air 208 hours of sports betting programming.

It's just a small portion of our programming portfolio. We look at it as being a fantastic opportunity for the sport.

If you look at horse racing being this bubble, this super dedicated, loyal, concentrated bubble in which I'm in it, our company is in it, there's this bubble

that we just all want to get bigger. We have daily fantasies bubble in the U.S. It's this big.

Then, you have the sports betting addressable market, which is this big.

If we do a bit of programming on a daily or a weekly basis, that gets the attention of people in this bubble, and they tune in to our programming on our network, and we're able to cross-sell them horse racing while they come and consume the sports betting programming.

That's just advantage horse racing, and that's the philosophy that we have in airing the sports betting show on a weekly basis.

Sports betting is legal in the four states that Alex mentioned, and that's gonna grow as sports betting legalization opens up.

For now, our network's play, and will be for the foreseeable future, is to get the people's attention that are in this bubble and cross-sell them horse racing.

We find that there's gonna be a lot of opportunity for horse racing with that method.

**Mr. Alex Waldrop:** I'll ask you the same question I asked Tony.

Sports betting, do we have anything to fear?

**Mr. Kevin Grigsby:** We don't. We don't. We should embrace it. We think there's a lot of opportunity.

Look, as a business, we have a fantastic sample size in regard to what's going on in New Jersey.

New Jersey sports betting has been legal for a little over a year, and there's 15 to 20 operators in the state from a sports betting perspective. We're one of them.

We're the biggest one, that being FanDuel. There's only one betting operator for horse racing in the state of New Jersey, and we happen to own that as well.

On the horse racing betting site in New Jersey, there's 25,000 actives this year.

Twenty-five thousand different people have made a horse racing bet via our platform in New Jersey.

With the sports betting platforms that are out there, we estimate that there's 300,000 sports betters active in just the state of New Jersey.

Now, the horse racing betting website that we own there, it's 10 years old, and the sports betting platforms in New Jersey, they're only a year old.

There's 10 times more sports betting customers in the state than there are horse racing betters in the state.

Here's where the opportunity that we feel is really advantageous for the sport in that these people that are betting on sports, yes, they sign up for an account because of football or baseball or basketball.

Ultimately, we're finding that these customers are betting whatever's next in the queue.

They're betting what is in front of them on a daily basis.

Tennis is a prime example. Tennis is 12 percent of our betting handle on the sports betting side of New Jersey.

It's because tennis is always on. There's a tennis match somewhere in the world, at some point in time for you to bet on.

Horse racing can be similar to what tennis is in New Jersey. There's always a horse race somewhere.

The people that sit beside me, they run thousands of races a year, and it's available to these sports betters on a daily or an hourly, even a minute-by minute, basis.

We feel, definitely, that horse racing can drop into that category.

We put it alongside other mainstream sports, and, essentially, the sport will grow by way of that.

**Mr. Alex Waldrop:** Thank you, Kevin.

Our third speaker, Amy Zimmerman, is the Vice President and Director of Broadcasting at Santa Anita Park and has been a member of the Santa Anita staff since 1986.

She's also currently on the staff for NBC as a producer of their horse racing coverage, including all three Triple Crown races since 2001 as a producer of the

network's coverage of the Breeders' Cup, which is a position she has held on every Breeders' Cup telecast since 1988, including the five years that the Breeders' Cup was with ABC and ESPN.

Listen carefully because this is amazing. Amy has won every major award associated with television and horse racing more than once — 26 Eclipse awards as executive producer, producer, or associate producer starting back in 1996 until 2016.

She's won two national Emmy awards. She has won 12 regional Emmy awards for original production on HRTV, including an individual regional Emmy as a program writer, 4 international simulcast awards, and a 2019 Telly award.

Clearly, Amy has a great deal of experience, and she's very accomplished at what she does.

Amy, I want to start, if I may, by asking you a little bit about NBC and a little bit about their coverage, some of the specifics about the number of races, number of hours, and that sort of thing, if you can provide us that.

**Ms. Amy Zimmerman:** Sure.

A couple of years ago at this conference, John Miller was here. He outlined the network's expansion of racing.

Currently, we do something like 30 shows a year. The only two months we do not have live racing — we being NBC does not have live racing — is December and February.

There's a show every other month.

**Mr. Kevin Grigsby:** Wow.

**Mr. Alex Waldrop:** That's amazing, and that's up a great deal from just a few years ago.

**Ms. Amy Zimmerman:** Well, not only that, but it used to be — when we started doing the Triple Crown with NBC in 2001, it was a 90-minute show, but it is also really important to know that it's not a network apologist.

They're a partner in the fact that they need to present both sides. Unfortunately, sometimes those sides aren't great.

It's very important for the network, and it's very important for racing that it is treated fairly.

Ultimately, at the end of the day, if we can walk outta the truck and believe that we've done that, then we've done our job.

It's a little bit different, and I sit in a little bit different seat. I don't, at the end of the day, go back to Stamford, Connecticut. At the end of the day, I go back to my office at Santa Anita Park, and I have to look at people, like Bob Baffert or Todd Pletcher, in the eye and tell them that I believe that we did a good job, and I can't do that if, in my heart, I don't believe that we did.

**Mr. Alex Waldrop:** You're behind the scenes. Tell us a little bit about how it's handled, both on camera and off.

**Ms. Amy Zimmerman:** NBC starts discussing how we handle equine injuries months in advance. It's not a knee-jerk reaction in the moment of what happens.

We work very closely with the American Association of Equine Practitioners, the AAEP, and their on-call program, and we're very, very grateful to have their involvement.

Every show that we do, whether you see them or not, there is an AAEP on-call vet that's available to us, and they sit in our production meetings, and we have the discussion about what happens.

These are all media-trained individuals that are able to, sometimes, properly give really bad news, but in a standpoint that the viewing audience can understand.

Just like Tony and Kevin, when we produce a show, we often think about our kids, and we're fortunate we have children about the same age.

It's really important for us not to have video images hit home that are going to affect our kids. Yeah, we make it personal.

**Mr. Alex Waldrop:** What about the network?

Does the network work with this in this regard?

**Ms. Amy Zimmerman:** Absolutely.

We'll sit there, and the network will walk through what the different scenarios are. Before every Triple Crown race, for the last three or four years, we have the state vets and the racetrack vets and the stewards come in with us.

We walk through all of the different scenarios.

Yes, including the scenario of this year's Kentucky Derby.

What can happen?

What are we gonna do, who are we gonna talk to?

Who goes where?

What are the rules?

In some states, a foul is a foul, is a disqualification.

In other states, a foul is a foul, but it's gonna be a daze for the rider. We need to know what those rules are.

How many ambulances do they have?

A lot of you — I've sat in a lot of meetings, and you've heard me ask this question over and over again: Where's the hospital? Who's the doctor?

It's a checklist for us for the network to ask these questions so, when all hell breaks loose and a horrible event happens, we don't have to guess. We know what those answers are. Everybody has a job to do and a job to deploy to.

**Mr. Alex Waldrop:** I know you're a very conscientious person. Tell us a little bit about how you balance the interest in reporting on an incident and being an apologist for the sport.

**Ms. Amy Zimmerman:** I have a quote on my desk that says, "First, be best. Then, be first."

It's a Grant Tinker quote from the producer for the old Mary Tyler Moore shows. Especially in today's day and age, when everybody with a \$600 iPhone is automatically a journalist, it's very important to get it right.

It's very important not to guess.

It's very important for our reporters to tell us what they're seeing and viewing with their own eyes, not guessing. Before each of the races, we walk through those scenarios. You need to be accurate. You need to have the right information.

You need to be able to treat the sport — there was a lotta debate — switching gears for half a second — before this year's Triple Crown as to how — I wear a lotta hats, so there's a lotta we here — how we, being NBC, addressed what was happening with us being Santa Anita.

How do we address the obvious fatalities, especially when you come to a Santa Anita derby?

The conversation centered around me asking the question, quite frankly, "If this was the NFL, how would you handle this? If this was a concussion, how would you handle this?"

If this was Ryan Shazier, how would you handle this?

If this was Major League Baseball, what would it be with PEDs?

At the end of the day, the people in the room and the people that I work with on a daily basis assured me, by both statement and by fact to back it up, that it was being handled the same way, that this is how aggressive they had gotten on their other partner sports, and this is how they were going to balance and counterbalance what was happening to horse racing.

Quite frankly, horse racing — I think all of us in this room would love for horse racing to be respected in society like the NFL.

We saw a graphic, yesterday, that had 64 percent approval rating.

It we want to get there; we all have to put on big boy pants and big girl pants and accept the good and the bad and change the bad for the good.

**Mr. Alex Waldrop:** Can you bring all that home, for us, about Mongolian Groom and how that played out on track at Santa Anita —

**Ms. Amy Zimmerman:** Sure.

My seat, for NBC, I'm the Senior Associate Producer, so I sit on the front bench. It's myself, our producer, our director, and the technical director. As we were watching the race, I saw the horse dropping back.

I had assumed that he was dropping back, and my concentration was centered on the front end of the race. When the horses hit the finish line, Brittany Burton said, in my ear, "There's a horse that's pulled up." I said, "Who is it?" She told me who it was.

At that moment, Brittany's job was to handle the winner's circle celebration.

We deployed, I believe it was, Nick or Kenny — I, honest to god, can't remember — to get Dr. Ruggles.

Dr. Al Ruggles as our on-call vet for that scenario. We went back. We looked at the replays. We saw the replays.

We weren't going to show the replay, again, based on the fact that we don't need to see a horse's leg dangling.

Once we had the information that the horse was in the ambulance and being transported to the equine hospital — remember, this was a network show, so it's off the air at 6:00 local time.

At 6:00 local time, we came back, we finished it out with the report being the information we had at the time, and we went off the air, and the horse was euthanized, I believe, about 40 minutes later.

**Mr. Alex Waldrop:** Talk a little bit about social media. You've mentioned that.

How does that change this whole scenario? For the most part, I think it holds you accountable. You can't ignore things. Not that you would or did, but you can't ignore them.

They're out there. Again, if you want to be a big-person sport, you've gotta treat it like a big-person sport.

**Mr. Alex Waldrop:** I'm gonna ask Kevin, if you would, give us just your perspective on how TVG handles these incidents.

**Mr. Kevin Grigsby:** Like Amy described with NBC, TVG never shows a replay of an incident.

We, to this point in our network's history — we acknowledge that there was an incident that happened.

We demand that our announcers do not speculate, and then we defer to the racetrack to provide whatever information that they're going to provide in regard to going public with what happened.

We don't consider TVG a news organization.

While we use our network to be a mouthpiece for our racetrack partners, we do not go hunting for the news.

If the news comes to us, we will, as a courtesy to our track partners, disseminate that information to the viewing public.

**Mr. Alex Waldrop:** Tony.

**Mr. Tony Allevato:** First, I wanna find out if Amy will let me borrow some of these Eclipse awards and Emmys that she's got.

My mantle's got a street hockey trophy and a class clown award.

**Ms. Amy Zimmerman:** I have the class clown award, too. We're all good.

**Mr. Tony Allevato:** Okay, good.

**Mr. Alex Waldrop:** Two of them.

**Mr. Tony Allevato:** Thanks. I can have one on you.

**Mr. Kevin Grigsby:** She said she's got the class clown award, too.

**Ms. Amy Zimmerman:** I don't have hockey. I cannot stand on skates.

**Mr. Tony Allevato:** She's like, "I'm funnier than you, as well, Tony," so, thanks. Look, we're very fortunate — a big difference between what we do and TVG and NBC — not to diminish anything they do, but we're a stakes holder.

We run a brick and mortar operation, and we also control the content on Fox, which is great. We're producing the show.

First and foremost, same as what Kevin said, we're not in the news business, and I agree with what Amy said. There doesn't need to be a rush to get bad news out there, and there definitely doesn't need to be any speculating.

For us, the key is, make sure the information we're getting is accurate. Don't speculate. We've had the reporters — unfortunately, we live in an area where everybody wants to be first.

Even the people that work for us wanna be first.

I'm pretty sure it's life-threatening. Well, pretty sure and sure are two different things. We're never going to speculate on something, and we're never going to guess.

The other thing is, we don't wanna sensationalize something that happens that's tragic.

Now, there are plenty of times where a horse will clip heels.

A horse will hit the rail.

The jockey will come off. Rider and horse are both fine.

That's when we will sensationalize that. We will show it, that these amazing athletes are able to overcome that.

We'll feed the appetite of the viewer that way that's used to watching NASCAR and seeing crashes.

In horse racing, it's obviously much, much different. From a TV standpoint, with horse racing, it's just important that we don't sensationalize it, and we don't get in the guessing game.

**Mr. Alex Waldrop:** Amy, I'm gonna give you the last question.

**Ms. Amy Zimmerman:** Uh-oh.

**Mr. Alex Waldrop:** Then, we're gonna open it up to the floor.

**Ms. Amy Zimmerman:** Can I give it back to Tony?

**Mr. Tony Allevato:** Oh, boy.

**Mr. Alex Waldrop:** He's already addressed this, but I would like from your perspective, how the network coverage of horse racing — how does it grow fans?

Is there a thought process that goes through your minds as you prepare for a Triple Crown broadcast? Is it assumed that this exposure — is there something specific that you do about this?

**Ms. Amy Zimmerman:** Well, one of the things that we go into every show is with the same philosophy.

Our coordinating producer is a gentleman named Rob Hyland. Rob always talks about broadcasting. It's broadcasting, not narrowcasting.

Kevin, for TVG is narrowcasting. You're narrowing it down to the horse racing audience.

It's interesting to note that horse racing on NBC pulls more of a female demographic than any other sport that NBC offers, with the exception of the Olympic Games. It is really broadcasting.

If somebody comes up with an idea, Rob's first comment is, "Will my mom, Ann Hyland, understand that?" To a degree, we produce for Ann Hyland.

If Rob's mom can understand it, if it makes her excited, if it gives people a reason to cheer, then we've done our job.

**Mr. Alex Waldrop:** Excellent.

Listen, I thank all the panelists.

We do have a minute or two for questions, I believe. Actually, we have four minutes.

Dan Thicke, you have the floor.

**Mr. Dan Thicke:** Thank you.

I'm the chairman of the racing official's accreditation program. In our stewards' accreditation schools, we teach media training to those just coming into the business.

This year and next year, part of our five points of emphasis for continuing education is media training.

My question is, is there, in your minds, an opportunity where the stewards could be more transparent, appear on camera to explain the rules and explains why or why not that horse was disqualified in the last race. Are we missing —

**Ms. Amy Zimmerman:** A thousand percent. If the stewards would want to do that and be accessible to that, the networks would embrace it 1000 percent.

**Mr. Kevin Grigsby:** I think they have a fantastic model in Europe in which they actually televise the inquiry and the discussion that the stewards have with the jockeys.

Not only is it riveting television, but you learn a lot, and a lot can be taken from instances like that in regard to education. That's a model that works there.

We should embrace that and try it here.

**Ms. Amy Zimmerman:** There's millions and millions of dollars at stake, and it all takes place behind a curtain.

**Mr. Tony Allevato:** I think we're afraid of transparency, sometimes, in the sport. I remember, back when Kevin and I worked together at TVG, we would cover — we'd have inquiries, and we'd have a microphone and a camera right there as the jocks were on the phone, which was always interesting to me.

You never see a replay in the NFL and have the wide receiver on the phone with the referee talkin' to him about what he thinks happened. "I think my foot was inbounds.

Horse racing's different, but it was interesting. We would listen in, and the stewards flat out told us, "Do not ever do that again. We do not want people to hear what is being said."

**Ms. Amy Zimmerman:** Well, and so did the jockeys.

**Mr. Tony Allevato:** And the jockeys, yeah, mm-hmm.

**Ms. Amy Zimmerman:** That's one of the first comments that we always get is nothing near the scales is mic'ed.

**Mr. Tony Allevato:** Yeah, so, we're afraid, sometimes, to be — we wanna be transparent.

We say all the right things, but when push comes to shove, do we wanna do that?

**Mr. Dan Thicke:** Yeah. Well, we encourage our stewards to be available after they've made the decision, whether the race is gonna be a DQ or not, to step out and be available on camera and explain what they did.

Not just we took him down 'cause he bumped the other horse but get into more detail like you'd end up seeing in the race chart and be willing to answer questions.

**Mr. Tony Allevato:** Yeah, and it's a real challenge for TVG more so than for us. Amy touched on the rules are different everywhere.

Even in New York, we'll hear our announcers, sometimes, speculating exactly what the rule is in terms of, are they gonna go by whether cost of placing, or was it an infraction and the horse will get disqualified anyway?

I think that there's, on our end, still a little work that needs to be done on that and getting on the same page as the stewards.

We have a process in place, for a major race when there's a DQ, to get a steward on camera to talk about it and explain what happened.

**Ms. Amy Zimmerman:** I will say, Tony, that those plans were in place, Dan, for the Kentucky Derby, and we had a plan all laid out as to what was going to happen, and none of it happened.

**Mr. Kevin Grigsby:** There was an inquiry in the Kentucky Derby?

**Ms. Amy Zimmerman:** I know. Shocking, right? Yeah.

Sometimes the best laid plans don't actually —

**Mr. Dan Thicke:** Okay. Well, you can find us on the internet. We're available. Touch base with us. You worked a lot with Wendy Davis.

**Mr. Kevin Grigsby:** Well, Dan, maybe it might be a big jump for stewards to appear on live television and talk about what is ongoing, similar to what, again, they're doing in Europe, but maybe a smaller step would be — we've thought about, on TVG using a centralized steward that could speak for any infraction at any point in time at any jurisdiction in any racetrack. That steward could be housed in our studios in Los Angeles.

If there's an infraction at Tony's place in New York, this is someone that could come on and actually talk about New York rules and talk about what, potentially, decision could be made one way or the other. We've thought about takin' that baby step. Maybe you're the one that's pushin' me towards doin' somethin' like that on TVG.

Thank you.

**Mr. Dan Thicke:** We'd be glad to be helpful. We did a on-call stewards training program, about 10 years ago, with the media trainers out of Chicago, Peterson and McGrath, and made ourselves available, but the commissions and the on-track stewards didn't really want an on-call steward.

I think, maybe, the times have changed with what's happened in the industry. Thank you.

**Ms. Amy Zimmerman:** Thank you.

**Mr. Kevin Grigsby:** Great, thank you.

**Mr. Alex Waldrop:** Excellent question, Dan. Thank you. One more question.

**Mr. Frank Petramalo:** I'm with the Virginia HBPA.

The integration of wagering on horses with sports wagering, does that, in effect, mean it's fixed odds wagering?

**Mr. Kevin Grigsby:** At this point, no, it's not, but —

**Mr. Frank Petramalo:** Would it be pari-mutuel?

**Mr. Kevin Grigsby:** Yes, yes.

**Mr. Tony Allevato:** There is a big push for fixed odds. We have mixed emotions on it in terms of what we're gonna do from a fixed odds standpoint. I think fixed odds are gonna come no matter what.

I think the key is — from a NYRA standpoint, we look at it as we wanna make sure that the racing is getting its fair share of those wagers.

Now, there's a difference between fixed odds on offering win-place show odds and if FanDuel or Draft Kings is doing a head-to-head bet, or how many lengths will the horse win by?

**Mr. Frank Petramalo:** Or in horse racing —

**Mr. Tony Allevato:** Yeah. Well, that's more of a gimmicky bet, so it's more of a marketing tool.

From a fixed odds standpoint, it is gonna come at some point, so we need to make sure that we're in front of it and that we are getting the right cut from that.

Look, the idea is, if people play with fixed odds and they're betting, how do we get them to graduate and move over to the exotic pools where they can make more money and be more engaged for a longer period of time?

**Mr. Kevin Grigsby:** Currently, while we wait for that day for us to transition to a fixed odds scenario in which customers could partake, something that we do on TVG — we have an exchange product in New Jersey.

What we do is, at times, we take the data that we get from the exchange pools, and we put those alongside the tote prices to help educate our tote players, which is 99 percent of our customer base. Eventually, we'll get there.

For now, fixed odds could be a learning tool for racetracks and customers out there as a potential opportunity for us on a go-forward basis.

**Mr. Tony Allevato:** There's some challenges with fixed odds, though, because I think that, first of all, there's a misconception that, with fixed odds, you're getting better odds, which isn't necessarily the case.

You can bet a horse with fixed odds, and get 15 to 1, and the horse wins and pays \$60. All of a sudden, that's a really bad experience for the person who's betting.

The other issue is that the model that they've had overseas in terms of what's being paid in the industry, you talk about — it's like one or two percent, and that's getting split with the horseman. That's not gonna work in the U.S.

Part of it is there's an education process, on our end, as a racing organization, to make the sports books understand it's not gonna fly, in our opinion.

Maybe other people in the room will disagree.

That model will not work in the U.S., in our opinion.

**Mr. Alex Waldrop:** Thank you.

**Mr. Kevin Grigsby:** Yeah, thanks.

**Mr. Alex Waldrop:** Amy, just to follow up on that, do you see NBC, the network, relaxing its standards as it relates to talking about the pari-mutuel wagering and, heaven forbid, sports betting on the broadcast?

**Ms. Amy Zimmerman:** Well, I believe they already are.

**Mr. Alex Waldrop:** They're already there. You think it's —

**Ms. Amy Zimmerman:** Yeah, they're already taking steps towards that direction.

**Mr. Alex Waldrop:** Okay.

**Mr. Kevin Grigsby:** Yeah, NBC is actually a co-owner of FanDuel. They're a part of our ownership group — or Comcast.

**Mr. Alex Waldrop:** Excellent.

**Mr. Kevin Grigsby:** Yeah, they're into it.

**Mr. Alex Waldrop:** Well, listen, our time is up.

I thank the panel, very much, for your excellent presentations.

I learned a lot, and I hope you did, too.

Thanks so much.

**[Applause]**

