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## TODAY'S PRESENTERS

### **Vic Salerno**

President, USFantasy Sports

### **Mike Knapp**

Chief Operating Officer, USFantasy Sports

### **Bruce Seymore**

General Manager, Mile High Racing & Entertainment

### **Ken Sarnecky**

VP of Systems Development and Information Technology,  
Las Vegas Dissemination Company

### **Terina Salerno**

Corporate Counsel, USFantasy Sports





**USF:  
WHO  
WHAT  
WHERE**

- USFantasy Sports is based in Las Vegas
- Regulated by the Nevada Gaming Control Board as a pari-mutuel sports systems operator
- B2B business model
- Operating Daily Fantasy Sports Contests in 53 Nevada casinos and Colorado's Arapahoe Park and its affiliated network of statewide OTB's
- Producing customized contests in as little as one day





## COMMON POOLING: FANTASY SPORTS CONTESTS

- New and easy way to play fantasy sports
- Contest fields are just like horse racing fields. Merely swapping horses with athletes
- Contests are offered for Pro Football, Pro Basketball, Pro Hockey, Golf, NASCAR and special events to come, such as Boxing and MMA subject to State law approval
- “Million \$ Seven” Contest. \$1 entry fee to win \$1 million on a Pick 7





**CUTTING  
EDGE  
SOLUTION  
FOR THE  
RACING  
AND  
GAMING  
INDUSTRY**

- Expanding the overall marketing appeal of tracks and OTB's
- Targeting the attractive millennial demographic who already play fantasy sports
- Increases overall patronage to track and OTB facilities
- Introduces pari-mutuel fantasy sports to traditional sports fans
- Complete infrastructure already in place. No new Cap Ex for existing pari-mutuel facilities





## ADDITIONAL BENEFITS

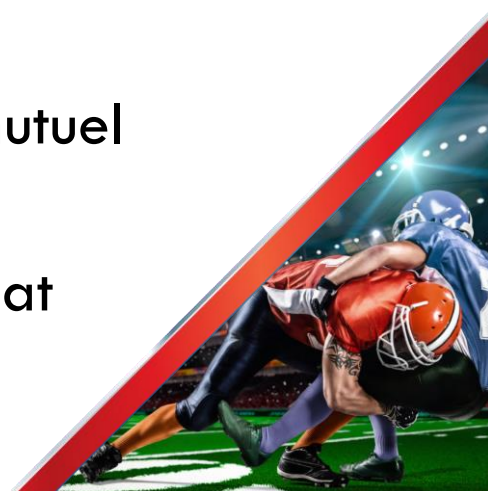
- Platform is in place for quick adoption—turnkey for tracks
- Introduces skilled fantasy sports contests to new jurisdictions
- Easily expandable to mobile and digital platforms
- Positions the race industry to participate in the inevitable adoption of sports wagering either through federal or state legalization
- Pari-mutuel accounting systems presently operate in 43 states





## PRODUCT EVOLUTION

- Originally developed in 2008
  - Years of tests and development. Thousands of contests available
- Evolving fantasy sports landscape
  - 8 states legislatively approved fantasy sports earlier this year
  - 20 plus states projected to introduce fantasy sports legislation in 2017
  - Over 50 million active fantasy sports contestants in North America
- Why we are a NEXT GEN fantasy platform
  - Transparency – Pari-mutuel, the original skilled selection platform, was built on transparency
  - Consumer Protections – decades of proven pari-mutuel regulations insure protections
  - Fair, easy and adaptable – States understand what they are getting with pari-mutuel





**EASY, FAIR  
FANTASY  
SPORTS  
SKILLED  
CONTESTS**

- The skilled fantasy sports contests are based on performance statistics of athletes playing in live sporting events.
- The highly skilled players advantage is mitigated using the transparency of the pari-mutuel “auction”. Contestant determined pricing keeps it fair. Legislation, typically addressed to this common DFS problem, is not necessary.

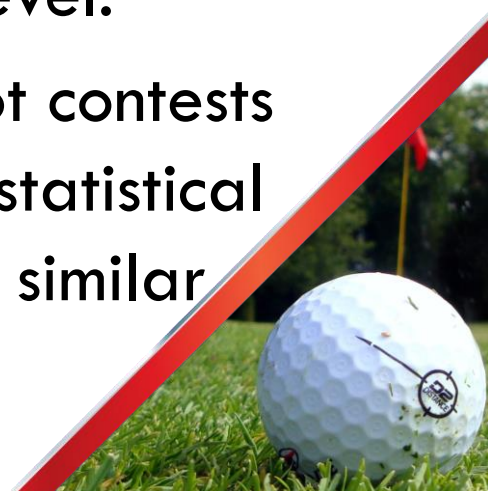




# EASY, FAIR FANTASY SPORTS SKILLED CONTESTS

(continued)

- WIN, PLACE, SHOW, and EXOTIC forms of wagering are offered with competitive fields who's points determine the top statistical winners for each contest. The consumer enters into a contest at their most comfortable skill level.
- Large weekly guaranteed progressive jackpot contests are probable where contestants pick the top statistical performers in multiple categories (Pick 4-7's), similar to existing Daily Fantasy Sports (DFS) games.





# PROPOSITION EXAMPLE

Prop #1	QUARTERBACKS	*1st LEG OF THE MILLION \$ 7*			
10:00	Scoring: 1Yd = 1 USF Pt, 1 Touchdown = 30 USF Pts.				
Entry #	Player	Team	Opp	Proj. Points	Opening Odds
1	AARON RODGERS	GB	@WAS	396	10/1
2	ANDREW LUCK	IND	TEN	394	11/1
3	ANDY DALTON	CIN	BUF	385	14/1
4	BEN ROETHLISBERGER	PIT	@CLE	405	5/1
5	BLAKE BORTLES	JAC	@DET	389	13/1
6	DAK PRESCOTT	DAL	BAL	376	19/1
7	JOE FLACCO	BAL	@DAL	372	20/1
8	KIRK COUSINS	WAS	GB	388	13/1
9	MARCUS MARIOTA	TEN	@IND	399	9/1
10	MATTHEW STAFFORD	DET	JAC	391	12/1
11	TOM BRADY	NE	@SF	401	6/1
12	TYROD TAYLOR	BUF	@CIN	380	15/1
Wagers: \$2 WIN/PLC/SHW \$1 EX \$1 DD (1-2) \$1 PK7 (1-7)					





## SIMPLE SCORING RULES

- Athletes points are developed using only obvious achievement objectives from their respective sports
- Football example:
  - Quarterbacks, Running Backs and Receivers earn one point for each positive yard gained passing, rushing or receiving
  - 5 Bonus points for scored points, example: 30 points for a 6-point scored touchdown.
- Scratches factor if a selected athlete does not appear during any segment of the live game

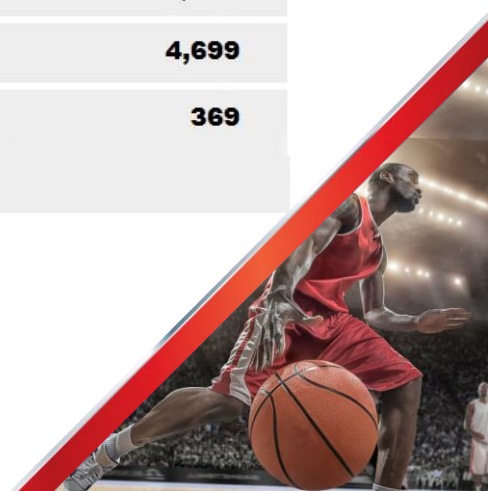




WEB  
EXAMPLE:  
REAL TIME  
ODDS &  
POOL  
TOTALS

LINEUPS CLOSED: SUN, 11/20/16 10:00AM PT			OPENING ODDS	CURRENT ODDS	WIN POOL	PLACE POOL	SHOW POOL
1	AARON RODGERS	GBP	10	9	4,302	3,108	3,407
2	ANDREW LUCK	IND	11	7/2	10,202	5,504	7,200
3	ANDY DALTON	CIN	14	44	909	601	708
4	BEN ROETHLISBERGER	PIT	5	5	6,206	5,002	3,703
5	BLAKE BORTLES	JAC	13	36	1,105	1,308	3,800
6	DAK PRESCOTT	DAL	19	17	2,107	1,856	1,756
7	JOE FLACCO	BAL	20	16	2,151	1,611	1,456
8	KIRK COUSINS	WAS	13	6	5,314	4,166	6,380
9	MARCUS MARIOTA	TEN	9	7	5,023	4,644	4,795
10	MATTHEW STAFFORD	DET	12	13	3,013	1,614	1,875
11	TOM BRADY	NEP	6	9	4,343	4,134	4,699
12	TYROD TAYLOR	BUF	15	49	817	560	369

WIN Pool: \$45,492   PLC Pool: \$34,108   SHW Pool: \$40,148   EX Pool: \$51,444   DD Pool: \$30,564   PK7 Pool: \$56,954





# RESULTS EXAMPLES

Week of 10/30 ▾ Prop #3 - RECEIVERS (10/30) ▾ Results ▾

RESULTS - \$2 PRICES			WIN	PLACE	SHOW
<b>2</b>	AMARI COOPER	OAK	\$27.60	\$12.20	\$12.20
<b>6</b>	DEZ BRYANT	DAL		\$24.00	\$20.40
<b>13</b>	ROB GRONKOWSKI	NEP			\$9.00
EXACTA: 2-6					\$224.80

Week of 11/6 ▾ Prop #1 - BASKETBALL (11/10) ▾ Results ▾

RESULTS - \$2 PRICES			WIN	PLACE	SHOW
<b>8</b>	STEPHEN CURRY	GSW	\$24.60	\$9.20	\$5.00
<b>5</b>	HASSAN WHITESIDE	MIA		\$16.40	\$5.00
<b>3</b>	DEMARCUS COUSINS	SAC			\$6.00
EXACTA: 8-5					\$332.80





## TAKE-OUT RATES

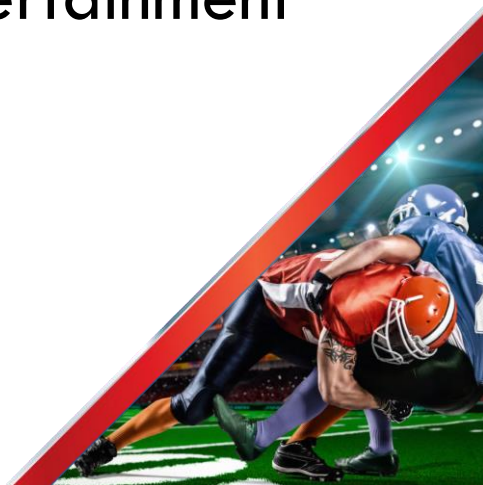
<b>POOL</b>	<b>TAKE-OUT RATE</b>
<b>WIN/PLACE/SHOW</b>	<b>10.00%</b>
<b>EXACTA DAILY DOUBLE</b>	<b>11.00%</b>
<b>TRIFECTA</b>	<b>12.00%</b>
<b>PICK 4-7</b>	<b>15.00%</b>





**BRUCE  
SEYMORE**

- The launch of USFantasy in Colorado under our brand name Mile High Fantasy Contests
- Approved to operate pari-mutuel sports contests
- Our current operating plan
- Expansion plans for Mile High Racing and Entertainment





# LAS VEGAS DISSEMINATION COMPANY

- The technical landscape
- Role of Las Vegas Dissemination Services Company
- How we interface with USFantasy Sports
- How we interface with the casinos
- Interactions with the race and sports platform providers
- Our role in Colorado







# TERINA SALERNO: THE LEGAL LANDSCAPE

- Why the USF's common pool fantasy sports contests do not violate -
  - Wire Act
  - UIGEA
  - PASPA
  - Creating a multi-state common pool





THANK  
YOU

• Q & A

