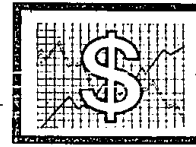


Business

Marilyn Fitchett editor/591-2300



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Terms of the trade

• Parimutuel wagering

Ever since a Paris shopkeeper discovered a better way in the 19th Century, bettors have not had to submit to the vagaries of payoff prices set by bookies. In essence, horseplayers now set the prices (odds) themselves by betting in a mutual pool ("mutuel" in Paris, hence parimutuel).

• Off Track Betting (OTB)

Parimutuel horse-race wagering conducted at a betting shop away from the track, sometimes with full-service dining and beverage services, on races brought in via closed-circuit TV. The thoroughbred racing industry, hit hard by state lotteries and changing lifestyles, sees OTB as a way to take its product to consumers no longer willing to drive long distances and sit through a full day's racing card.

• Intertrack Wagering (ITW)

A less-radical cousin of OTB, ITW allows betting at a race track on races run elsewhere and brought in on closed-circuit TV. Under current law, DRC offers betting on selected simulcasts of major races from around the country. But there is a maximum of one race a day, which is added to the program of live races. Under ITW, DRC could remain open at night and accept bets on Hazel Park's harness racing — and vice versa. In states such as Illinois and Pennsylvania, ITW was operated for several years before introduction of OTB.



STEVE JONES/staff photographer

David Goodwill, CEO of Ladbroke DRC, is looking for help from the Legislature in the form of loosening wagering laws, to help DRC get back to the winner's circle.

DRC looks to Lansing for convenience betting

By Tom Ferguson
staff writer

Handicapping a bad race is easier than getting a line on the future of Ladbroke DRC in Livonia, Michigan's only thoroughbred horse racing track.

The British conglomerate that bought DRC in 1985 is entering the final year of a five-year plan still waiting for the one tool it believes essential to success: off track betting (OTB).

"If someone came to us and said, 'You're never going to get it (OTB),' it would be a no-brainer," said David Goodwill, 42, CEO of Ladbroke Racing Corp., meaning Ladbroke would pull the plug on its effort to develop a major league racing program at DRC.

"Results at this track have improved, but we are not talking about a profitable organization," said Goodwill, recently arrived from Britain to coordinate Ladbroke's stalled American invasion.

"We have a lot of assets here with no return. But Ladbroke is also a

company that is prepared to take a long-term view, to do the job properly."

Long-term for DRC means long enough to see whether OTB, or at least its less-ambitious cousin, inter-track wagering (ITW), will emerge from the Legislature. (See accompanying story for betting definitions.)

Goodwill won't say how far Ladbroke's patience will extend, but indications are one more season wouldn't be a bad guess.

Meanwhile, predicting the fate of ITW/OTB legislation is hazardous.

THE GOOD news for Ladbroke is that James Karoub, the track's powerful Lansing lobbyist, is optimistic. "I don't see any problem with ITW," he said. "OTB will be introduced later."

The bad news is that the harness racing industry, which represents nearly three-quarters of the Michigan horse racing industry, is at best cool to what the thoroughbred industry prefers to call "convenience betting."

At worst, if the harness horsemen

decide to oppose OTB, and if they are successful, Goodwill might have his "no-brainer."

WHEN LADBROKE Group PLC decided to establish its U.S. beachhead at Schoolcraft and Middlebelt, it clearly had OTB in mind — not the operation of a minor league race track.

Though it has yet to accept a single OTB wager in this country, Ladbroke Racing Corp. (the U.S. subsidiary) is described in a company press release as "Ladbroke's U.S. off track betting subsidiary."

"We are the world's experts in this area," Goodwill said. "If anybody is going to do OTB well in this country, it is going to be us."

The parent company is indeed the world leader. By last June Ladbroke was operating 1,797 betting shops in the United Kingdom and Ireland, had 75 percent of the market in Belgium and had opened 75 shops in the Netherlands after securing a national monopoly on OTB.

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Tracks face changing times

"This place was built to hold 30,000 people in the '40s," said Bill Bork. "Now we fill up that parking lot with a crowd of 15,000 on Michigan Mile Day. I ask some old-timers where the hell they put all those cars, and they say, 'Bill, this was farmland then. They parked across Middlebelt and across Schoolcraft.'"

Changing times and their effect on marketing his product are what's on the DRC president's mind these days. He rattled off the litany.

"Anyway, there were no lotteries. There were no five sports teams with long seasons."

"It takes five hours to run 10 races, and people don't want that anymore. See all those wooden stadium seats? They want to be able to bet two races and go home. Bliff. Bam. In and out."

"And they want a nice place where they can take their wife or girlfriend."

The answer, he believes is off-track betting, packaged and presented with the expertise the parent Lad-

'Give me a 40- or 50-degree day in January or February, and I'll do a million and a half at the windows. There's nothing else going on: no lake sailing, no Grand Prix, no Tigers.'

— Bill Bork

broke Group has developed in Europe.

"I'm talking about cushioned chairs," he said. "I mean first class. Two- or three-million-dollar facilities that seat 500 people. No admission. No parking problems. Mutual clerks in tuxedos. Look at the Palace; that's what people want."

But he'll settle for intertrack wagering, at least for starters, allowing DRC to send its racing card via TV to other tracks.

that it's going to work. But every state that has OTB has had ITW first. It's a natural step.

"It appears that the standardbred (harness) people are against it because they don't know what effect it will have. But I helped write the bill so that if it's hurting them, they can stop it."

He is confident of ITW's immutability. But he sees yet another, inferior route to help his ailing industry, sort of a jack-in-the-hole.

"Traditionally, thoroughbreds have never raced in the winter here. I come from a background in Pennsylvania racing, where we did race in the winter, and we could go year-round. Give me a 40- or 50-degree day in January or February, and I'll do a million and a half at the windows. There's nothing else going on: no lake sailing, no Grand Prix, no Tigers."

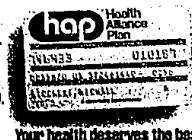
"But I don't want to do that at this time. I think the answer is convenience betting. That's off track."



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