

## FAX COVER SHEET

**DATE:** August 9, 2013

**TO:** Office of the Executive Secretary  
Nevada Gaming Commission  
775-687-8221

**FROM:** Gregory Wright – COO & CFO  
Vincent Magliulo – VP  
Las Vegas Dissemination Company

**RE:** Notice of Request for Comments and Notice of Public Workshop

---

Good Afternoon – Please find attached comments relating to the offering of rebates on pari-mutuel wagers (Notice 2013-56).

If you have any questions, please feel free to reach either of us at 702-739-8781.

Thank you



*A Worldwide Full Service Pari-Mutuel Company.*

August 9, 2013

Office of the Executive Secretary  
Nevada Gaming Commission  
1919 College Parkway  
P.O. Box 8003  
Carson City, NV 89702

**Re: Notice of request for comments and workshop on issues relating to the offering of rebates on pari-mutuel wagers (Notice 2013-56)**

Based on current rebate practices in the pari-mutuel industry, both national and international, along with the past rebate practices in Nevada, it is the position of Las Vegas Dissemination Company that it is feasible and necessary for Nevada pari-mutuel books to have the flexibility of 1) accepting less than the full value of an off-track pari-mutuel wager, 2) agreeing to refund or rebate a portion or percentage of the full face value of an off-track pari-mutuel wager, and 3) increasing the payoff of or paying a bonus on a winning off-track pari-mutuel wager.

Nevada was at the forefront of rebating in the mid 1990's. By giving back a portion of their commission to the customers (rebate), the annual Nevada pari-mutuel handle grew to over \$600,000,000. The increase of handle came from a small number of the Nevada pari-mutuel books. With regulatory guidelines, each property could decide whether to rebate and the extent of the rebates.

Since the banishment of rebates in Nevada, rebating has become a multi-billion dollar business. Based on the off-track pari-mutuel rebate model created in Nevada in the 90's, the rest of the world has accepted the rebate practice. In the last five years on-line betting sites and race tracks have began offering rebates to their customers. In that time Nevada's pari-mutuel handle declined to approximately \$337,000,000 in 2012. In 2013, the pari-mutuel handle is down approximately 7% year-to-date. There is a direct correlation of the declining Nevada handle and the growth of betting outlets that offer rebates. Nevada's race handle has continued to decline as pari-mutuel rebates and account wagering expand in other jurisdictions.

Without rebates, Nevada is at a competitive disadvantage with the rest of the pari-mutuel race industry. In the past, Nevada has overcome competitive disadvantages, such as the change of off-time as post-time through regulatory changes. Over the years many customers have inquired about rebates at Nevada books only to be declined. Many rebates players will "churn" their money, benefiting properties, patrons and the state. There is a very strong probability that rebates and/or incentives received by the patrons will be bet back thus increasing the handle. Rebates would be well received by current patrons and could help create new patrons.