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DONALD J. GROTH, VISIONARY

JUNE 18, 2004



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Donald J. Groth, Visionary

At the Albany Law School Racing and Wagering Law program website, we have from time to time directed a number of gibes at Donald J. Groth, the longtime president of the Catskill Regional Off Track Betting Corporation. A number of these gibes, including asking the poll question of which actor should play Don in the movie version of the Fix Six scandal, (The late Walter Matthau was a clear winner.) were probably in questionable taste.

But to make up for these shots, we are attaching a letter written by Don Groth more than 22 years ago which we uncovered in the New York State Archives. In an era where racing is searching for a visionary leader, here is Don Groth. Before anyone had coined the word racino, before Indian casinos, and even before riverboat casinos, there was Don Groth lobbying for video gaming. Forget Wile E. Coyote. This is Donald J. Groth, Super Genius.

Donald J. Groth

March 30, 1982

President & Chief Executive Officer

Honorable Stanley Fink, Speaker
New York State Assembly
Albany, NY 12224

Dear Mr. Speaker,

I write further to my prior communication about the potential legalization of Video Gaming devices in the State of New York.

Video Gaming devices operated by a public benefit corporation (OTB?) can be a profitable alternative to glittering showplace casino hotel proposals. Gaming profits can be retained for public needs in this State rather than to be counted in the out of state headquarters of certain carpetbag casino operators.

Public financing is the only valid argument for any additional form of gambling to be introduced in New York. Video Games can provide some more dollars for that purpose.

It is urgent to insure that any further legalization of video gaming or sports wagering be authorized for development by the Regional Off-Track Betting Public Benefit Corporations in the State.

OTB is the only gaming agency with an experience record that assures the proper and productive administration of these additional games. Only OTB is equipped and experienced to assist the Legislature to shelter selected citizens from the devices. OTB has already been restricting minors from horse betting in its branches.

Only OTB has the experience and ready talent to develop stores and facilities to accommodate the business. OTB operation of video gaming equipment will assure maximum profits for legislated public purposes. Lottery officials, for example,

have a solid record of sharing profits with outside and often, out-of-state, vendors, agents, and consultants.

OTB has been developed to include local option to allow (or disallow) certain games in certain communities. This feature assures that counties where the people oppose the gaming will not be saddled with it. Westchester and Onondaga for example, are among counties without OTB to date. Lottery officials place their games around the State without regard for local option.

It is important that such devices be located in specific public (OTB) controlled facilities, where profits can be gathered for public needs and where players can be sure of the highest percent of return on their wagers. While the lottery pays 45 percent to winners, OTB has always paid more than 75 (and as much as 83) percent to its winners.

CATSKILL REGIONAL OFF-TRACK BETTING CORPORATION /PARK PLACE, POMONA, NEW YORK
10970 - 914 362-0400



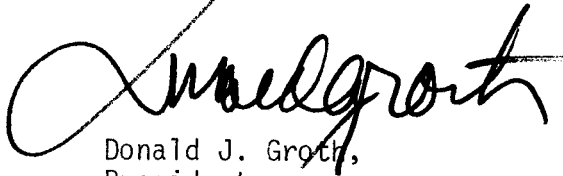
March 30, 1982

(OTB) controlled facilities can be a solution to avoidance of other problems, as well. Present video amusement arcades have become "hangouts" and drug peddling centers. Illegal gambling is known to take place at many locations. Public (OTB) control and policing of facilities and store fronts can more easily avoid these problems. State Lottery officials have no experience nor plan that could be responsive to these community threats.

State lottery officials must first improve their handling of current lottery ticket games before taking on sophisticated new concepts. While New York is the most populated and most visited lottery State in the Union, the New York Lottery still only ranks eighth in sales behind smaller states like Maryland and Massachusetts.

I strongly urge that any Legislative consideration of video gaming or sports betting take the form of a constitutional amendment to authorize expansion of the OTB product line to include this additional form of gambling.
Local government needs the money.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald J. Groth". The signature is written in a cursive style with a large, looping initial "D".

Donald J. Groth,
President.

DJG/ j r

cc: Governor Hugh Carey
Senator Warren M
Anderson