

Response to Request for Quotation

(CRFQ 0705 LOT1500000002)

**PROPOSAL FOR CONSULTING SERVICES REGARDING AN
IMPACT STUDY OF SUBSIDIZED GREYHOUND RACING**

HOOKE ASSOCIATES LLC

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West Virginia Purchasing Division

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IMPACT STUDY OF SUBSIDIZED GREYHOUND RACING**

Presented by

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Jeffrey C. Hooke (Contract Manager)
Charles E. Vickery III

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EXECUTIVE SUMMARY

This RFQ requires an experienced vendor to provide research and analytical services necessary to complete a comprehensive study of the following:

- The fiscal and budgetary impact of state subsidized greyhound racing on a historical and future basis;
- The economic cost-benefit analysis of state subsidies, the value to casinos if the subsidies are withdrawn, and the added tax revenue to the states of subsidy termination;
- Whether greyhound racing can attract public or private financing to operate as a commercial business with a minimum of state financial support; and
- The applicability of the (i) Iowa “soft landing” model or (ii) Rhode Island’s model of withdrawing state support

Jeffrey C. Hooke, the principal of Hooke Associates, has a history of providing guidance to states regarding maximizing tax revenue from casino-style gambling. He has recommended that states seek to maximize financial returns on state sanctioned gaming licenses, while, at the same time, the states enable operators to earn a fair return on private investment in casinos, hotels, racetracks and other amenities.

Furthermore, Mr. Hooke is an experienced investment banker with a background in private finance, initial public offerings, mergers and acquisitions, and corporate valuation. Assisting Mr. Hooke will be Charles E. Vickery, a noted gaming expert whose consulting background covers horse racing, dog racing, casinos, off-track betting, and statistical and geodemographic analysis for a broad range of industries.

Mr. Hooke’s pioneering work in gaming has been conducted principally on either a pro bono, or a discounted fee basis, on behalf of taxpayer groups or nonprofits, and he has been retained by one state government to critically examine gaming options. Prior to his involvement in the early 2000s, state governments routinely undervalued casino licenses, set unnecessarily low tax rates, and established insufficient standards of performance for gaming license holders.

Hooke Associates thus brings a fundamental difference in approach than other likely respondents to this RFQ. Other knowledgeable gaming consultants typically derive the bulk of their revenue from serving the gaming industry, as opposed to the average taxpayer. Their “conflict of interest” is therefore apparent, and they often have had a built-in bias toward recommending to state governments substandard returns on their state sanctioned gaming monopolies. These conflicts can promote and perpetuate ineffective means to achieve sensible financial objectives from the states’ point of view.

In sum, Hooke Associates’ analytical approach will focus on presenting the State of West Virginia with comprehensive options that:

- i. Assess the cost-benefit analysis of greyhound racing subsidies for the state;
- ii. Determine whether future subsidies are appropriate and whether the greyhound business can succeed in a conventional private sector market;

- iii. Consider the economics of greyhound racing relative to the industry's non-pari-mutuel gaming revenue;
- iv. Consider the financial tradeoffs of who pays for a possible soft landing for greyhound owners – the state or the casino industry, if subsidies are withdrawn (The soft landing costs could be tens of millions of dollars);
- v. Limit social costs; and
- vi. Protect West Virginia from the expensive mistakes that others have made.

Mr. Hooke and Mr. Vickery will focus on the West Virginia project during the next four months, and provide direct attention to the assignment. No junior analysts will be involved.

Jeffrey C. Hooke and Charles E. Vickery have studied and reported on the gaming and pari-mutuel industries for many years and have rich backgrounds directly applicable to this research.

This RFQ requires highly sophisticated, unbiased scientific research, analytical services and corporate finance expertise by people extremely familiar with gaming, pari-mutuels and related public and private investment returns – attributes possessed by the authors.

SECTION 1 PROJECT PLAN

Scope of Services

As identified in the CRFQ, research and independent objective analysis of West Virginia's government subsidy to greyhound racing is needed. Our report shall include:

1. Historical assessment and five-year projected analysis of the economic structure and performance of the existing industry. This section will identify opportunities and challenges for the industry.
2. Assessment of potential changes and economic budget effects of modifying or repealing live racing requirements for greyhound racing facilities, including an evaluation of the impacts on purses, awards and subsidies.
3. A practical review of whether the dog racing business can function as a profit-making enterprise without ongoing government subsidy and whether it can attract public or private investment on this basis.
4. A determination of whether the benefits of regulating and subsidizing greyhound racing can justify the cost from an economic point of view for the state.
5. Propose a negotiating strategy for the state in these matters, so the greyhound business, the casino industry, and the West Virginia taxpayers are all treated fairly.

Such analyses will result in the creation of a clear set of recommendations to guide the state's determination of whether the benefits of greyhound racing, under various alternative scenarios, justifies its likely subsidy and whether a termination of the subsidy should be coordinated with a payment to the dog racing participants to help them with the transition. The respondent is prepared to meet this challenge through the preparation of a comprehensive impact study of the business of greyhound racing in West Virginia, with national perspective, and its future prospects.

The respondent will provide a clear historical assessment of the greyhound industry, along with pari-mutuel and gaming developments that have led to greyhound racing's current economic structure and performance. Strengths, weaknesses, opportunities and threats (SWOT analysis) will be identified and discussed. A five-year pro forma will be developed based on the existing economic structure and performance of the industry.

The history and five-year pro forma will serve as a benchmark against which alternative scenarios can be evaluated. Alternative scenarios will assess the impact of adjusting the number of live race dates, the number of races per program, purse structures, breeders' award structures and various one-time or recurring government payments to the industry.

The respondent will then evaluate the economies of leveraging equity and profits as sources for public funding and underwriting risks – a field of study in which Jeffrey C. Hooke has extensive experience, having worked on Wall Street and for the World Bank. Mr. Hooke has also authored books on finance and investments, including one that is required reading for individuals seeking certification to work on Wall Street.

Methodology

The methodologies we propose employ a multifaceted, targeted approach that our team is uniquely qualified to deliver.

Task I: Initial Research

The initial research will encompass a number of areas:

- The respondent will meet with the West Virginia Department of Revenue and others involved in the request for this study to discuss all aspects of the project. Interviews will be conducted of industry participants, including breeders, owners and trainers. Expenses and revenues per greyhound will be developed to establish baseline metrics for projections.
- Greyhound-related statutes and bills will be reviewed for West Virginia and other states, such as Iowa and Rhode Island, where there were large subsidies.
- The respondent will discuss the industry's prospects under various future scenarios with public and private capital sources, such as gaming companies and private equity firms.
- Academic and media reports on greyhound racing will be reviewed. Data will be collected, including gaming and pari-mutuel revenue and distributions by breed, and related economic and geodemographic data.

We segment the tasks as follows:

Task I (A) Initial Client Meeting

The respondent will meet with the West Virginia Department of Revenue and others involved in the request for this study to discuss and refine the methodology proposed to achieve the purpose and scope of research for this RFQ. We will gather input regarding the project and discuss the parameters of our assignment in more detail. We will provide a preliminary list of desired information and request the client's help, where practical, to facilitate and hasten responses to requests for information.

Task I (B) Interview gaming and greyhound industry leaders

The respondent will interview policymakers, regulators, gaming and pari-mutuel executives, and leaders in the greyhound industry including association executives, breeders, owners and trainers, who will be asked about expenses and revenues per greyhound to establish baseline metrics for pro formas. Some interviews will be on a "no name" basis to protect the interviewee from industry retaliation, and many will be out-of-state individuals.

Task I (C) Review greyhound-related statutes and legislative initiatives

Greyhound-related statutes and bills will be reviewed for West Virginia and other current and former greyhound racing states. Statutory splits will be documented for use in analysis.

Task I (D) Review history of greyhound racing

The history of greyhound racing will be reviewed nationally and in West Virginia, including pari-mutuel trends and geographic distribution.

Task I (E) Information and data collection of industry statistics and economic impacts

The respondent will survey media articles, academic literature, studies, testimony and research on the topics of the gaming and greyhound industries, regulatory schemes, taxation, and direct and indirect costs to the state and the public, while focusing on that which is objective and factual. Information and data will be collected from regulatory agencies, industry groups, commercial sources and in-house data.

Task I (F) Review experience of states that have terminated greyhound racing subsidies

We will examine the experience of states that have terminated greyhound racing subsidies, and how the states treated the industry participants, the casinos, other gaming interests, and the taxpayer. We will relate these experiences to West Virginia.

Task I (G) Discuss prospects of greyhound racing in West Virginia with public and private investors

We will discuss prospects of greyhound racing in West Virginia with gaming industry investors, both public and private.

Task II: Gaming and Pari-Mutuel Market Analysis

We will evaluate market conditions and the geodemographic competitive landscape, including the regional expansion of gaming. Market demographics will be described and used in fiscal analysis. The distribution of purses and breeders' awards will be analyzed relative to participants' geographic location. Interviews will be conducted with businesses, government and the community to identify some of greyhound racing's broader economic relationships in the area.

Task II (A) Geodemographic market analysis and competitive landscape

Population and demographics will be described relative to market areas around West Virginia's greyhound racetracks. The competitive landscape will be analyzed. Greyhound racing in West Virginia and nationally will be mapped. Regional gaming expansion will be described and expected impacts on West Virginia's gaming and greyhound racing industries will be analyzed.

Task II (B) Geographic distribution of purses and breeding awards

Pari-mutuel earnings have become increasingly dependent on gaming revenue, much of which is paid as purses and breeders' awards to industry participants based outside of West Virginia. The geographic distribution of greyhound purses and breeders' awards will be mapped and analyzed to determine the economic benefits to West Virginia of existing subsidies.

Task II (C) Interview area businesses, government and community

Interviews will be conducted with a broad range of interests to assess the local impact of greyhound racing. Interviews will include owners and operators from the competitive gaming market, area attractions and amenities, government officials and local business interests.

Task III: Data Analysis

The data and information collected in Tasks I-II will be analyzed to provide a statistical summary of pari-mutuel and gaming directly and indirectly related to West Virginia's greyhound industry. The revenue and expenses related to each racing greyhound will be analyzed and prepared for use in pro formas.

Task III (A) Summarize pari-mutuel and gaming data

Pari-mutuel and gaming data, including handle, race dates, breeders' awards and purses in West Virginia and nationally will be summarized. Trends will be identified and the impact of gaming competition in surrounding states will be assessed.

Task III (B) Analyze revenue and expenses per greyhound

Per-greyhound revenues and expenditures will be determined based in part on interviews with industry participants. These estimates will be used in projections based on alternative scenarios.

Task IV: Fiscal Impact Analysis with Five-Year Pro Formas

Task IV will provide an examination of the historical and existing fiscal conditions, and the anticipated impacts associated with alternative scenarios. A fiscal impact analysis will be conducted to determine how each option would impact West Virginia's fiscal conditions, as well as the regional fiscal conditions of local government units.

Task IV (A) Analyze fiscal impact of existing gaming environment

The respondent will analyze the economics of greyhound racing and principal subsectors. We will consider the job creation and state income contributions of these subsectors, along with the direct, indirect and induced fiscal and economic impacts.

Task IV (B) Analyze fiscal impact of alternative scenarios

Based on comprehensive analysis of the existing greyhound industry, alternative scenarios will be developed to consider changes in the operating structure, race dates and government funding for purses and breeders' awards. Clear reasoning for each alternative scenario will be provided, to include a discussion of how each scenario would affect existing sectors dependent on greyhound racing, and how each scenario would impact net economic activity. We will consider the fiscal impact of making termination payments to the industry and the size and form of such payments. Also, we will consider the question of whether the state's casino industry should finance such payments.

Task IV (C) Analyze a non-subsidized greyhound industry's chances of obtaining commercial backing

The economics of leveraging equity and profits as sources of public funding will be analyzed. The analysis would include a listing of the principal assumptions used in the fiscal scenarios. The formulas tying one economic variable to another shall be described.

Task V: Recommend Course of Action

Pro formas developed in Task IV, based on extensive research developed in Tasks I-III, will be used to recommend the ideal scenario addressing operating structure, race dates and government funding, and a clear course of action regarding the future of greyhound racing. The best case pro forma will be presented with explanations for each change to the existing state of the industry.

Task V (A) Present best case pro forma

The best case pro forma will be presented and used to recommend a clear course of action regarding the future of greyhound racing in West Virginia. Clear explanations will be provided for each recommended change to the existing state of the industry. The economic and fiscal impact for industry participants, the surrounding region and the state will be provided.

Task V (B) Explain if the benefits of regulation justify the costs

The benefits of regulating greyhound racing will be weighed relative to the costs based on the existing status quo and the best case pro forma. Benefits, costs and methodology will be clearly presented. The goal is to understand, model and explain as much of the financial impact of greyhound racing as possible in order to focus on potential adjustments to known parameters to maximize returns for West Virginia's taxpayers.

Task V (C) Compare and contrast other states' tactics

Embedded in our recommendation will be a comparison of West Virginia's strategy with regard to those employed by other states that have cut back greyhound subsidies. Gaming constituents will look immediately to other states' tactics when evaluating recommendations presented to West Virginia.

Task VI: Optional Ongoing Analytical Support

Optional ongoing analytical support will be available at the cost of time and materials. These services can include the presentation of results to various audiences, testimony and financial analysis of proposed changes outside of those recommended in the report.

SECTION 2 QUALIFICATIONS

Hooke Associates LLC will be represented by two professionals to respond to the West Virginia Department of Revenue Request for Quotation (RFQ) #0705-Lot1500000002 to conduct an impact study of subsidized greyhound racing. Jeffrey C. Hooke and Charles E. Vickery have extensive analytical experience in the gaming and pari-mutuel industries and Mr. Hooke is an investment banker with a broad background in public and private corporate finance.

Jeffrey C. Hooke is managing director of Hooke Associates LLC and a managing director of Focus, LLC, an investment bank based in Washington, DC. Previously, Mr. Hooke was a director of Emerging Markets Partnership (a \$5 billion private equity partnership), a principal investment officer of the World Bank Group, and an investment banker with Lehman Brothers and Schroder Wertheim, respectively, two prominent securities firms based in New York. Mr. Hooke is the author of four books: *The Dinosaur Among Us: The World Bank and Its Path to Extinction* (2007), *The Emerging Markets* (2001), *Security Analysis on Wall Street* (1998), and *M&A: A Practical Guide to Doing the Deal* (1996). He has a significant background in gaming firms, as well as other industries.

Charles E. Vickery is an independent research consultant specializing in the areas of gaming, pari-mutuels and geodemographics. He has published scientific articles about racehorse biomechanics and cardiovascular systems. He played a major role in developing the statistical methodology used to ensure integrity in the national pari-mutuel wagering network. He has provided extensive analysis requiring statistical research to diverse industries and he brings broad perspective to the gaming and pari-mutuel industries. He has worked with a broad range of gaming and pari-mutuel participants, including simulcast providers, racetrack owners, racehorse owners and trainers, regulators and legislators. He has also served as a federal expert witness regarding gaming and racing matters.

Both Mr. Hooke and Mr. Vickery have worked with government agencies.

Respondent Qualifications and Abilities to Perform the Services Described

Jeffrey C. Hooke

Investment Banker

INVESTMENT BANKING--PRIVATE EQUITY--CORPORATE VALUATION

Unique qualifications include domestic investment banking and international private equity and corporate valuation. Led teams, marketed services, and negotiated deals and evaluated complex structures. Transactions include M&A, IPOs, secondary public offerings, private placements, project finance and debt restructuring. Significant transactional expertise and wide industry exposure in many countries, including gaming.

PROFESSIONAL EXPERIENCE

FOCUS, LLC., Washington, DC. Managing Director (2009-2014). National middle-market investment bank. Work on M&A, finance and valuation.

Hooke Associates LLC., McLean, VA. Managing Director (1999-2014). Corporate finance advisory firm that provides investment banking and valuation services to a broad range of clientele. Involvement in business valuation, client development, M&A, and gaming.

Emerging Markets Partnership, Washington, DC. Director (1998-1999). Merchant banker for the world's largest private equity fund group (over \$5 billion) specializing in the emerging markets. Closed investments for the \$1.8 billion AIG-sponsored Asia II fund.

The World Bank Group, Washington, DC. Principal Investment Officer (1991-1998). Merchant banker with the Bank's \$20 billion private sector division (known as the International Finance Corporation), closing debt and equity financings with major Latin American companies.

Lehman Brothers, New York, NY. Vice President – Investment Banking (1987-1990). Marketed services and closed deals in a team targeting U.S. and international retailing companies.

Schroder Wertheim, New York, NY. Vice President – Investment Banking (1981-1987). Experience included M&A, public offerings, restructurings and business development.

Metropolitan Life Insurance, New York, NY. Senior Investment Officer (1977-1981). Engaged in credit analysis, negotiation and loan documentation for nation's premier private lender.

EDUCATION

THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA, Philadelphia, PA

Master of Business Administration: Major in Finance 1977

UNIVERSITY OF PENNSYLVANIA Philadelphia, PA

Bachelor of Science in Economics 1976

Charles E. Vickery III

Researcher – Pari-Mutuel and Gaming Industries

PROFESSIONAL EXPERIENCE

Vickery Consulting, Oxford, PA. Research consultant (2003-Present). Provide research, economic and geodemographic consulting services primarily to the gaming and pari-mutuel industries.

Equine Biomechanics (EQB), West Grove, PA. Research manager (1987-2003). Managed research and scientific technologies to support investment decisions. Research led to patents. Performed research, technical writing, statistical analysis, econometric modeling, computer programming and data management.

National Assoc. of Thoroughbred Owners, Oxford, PA. Executive director (1994-1999). Executive Director and Treasurer of National Association of Thoroughbred Owners.

Chase Econometrics, Bala Cynwyd, PA. Research associate (1985-1987). Performed economic forecasting, analysis and writing for a world-renowned firm, involving extensive econometric modeling, used worldwide by government agencies and Fortune 500 companies.

General Electric, Selkirk, NY. Research assistant (1983).

EDUCATION

CLARKSON UNIVERSITY, Potsdam, NY

Bachelor of Science in Economics and Political Science 1984

PROFESSIONAL PUBLICATIONS

- Seder JA, Vickery CE. The Relationship of Subsequent Racing Performance to Foreleg Flight Patterns during Racing Speed Workouts of Unraced 2-Year-Old Thoroughbred Racehorses at Auctions. *Journal of Equine Veterinary Science*, 2005, vol. 25, no. 12: 505-522.
- Seder JA, Vickery CE, Miller PM. The Relationship of Selected Two-dimensional Echocardiographic Measurements to the Racing Performance of 5431 Yearlings and 2003 Two-year-old Thoroughbred Racehorses. *Journal of Equine Veterinary Science*, 2003, vol. 23, no. 4: 149-167. [Peer reviewed].
- Seder JA, Vickery CE. Double and Triple Fully Airborne Phases in the Gaits of Racing Speed Thoroughbreds. From proceedings of the Twelfth Meeting of the Association of Equine Sports Medicine, Fallbrook, CA, 13-16 March, 1993. Also published in *Journal of Equine Veterinary Science*, 2003, vol. 23, no. 5: S73-S81.

SPEAKING ENGAGEMENTS

- Albany Law School's 2012 Saratoga Institute on Racing and Gaming Law re siting of casinos in New York and an overview of northeast gaming. 2012.
- NY Senate Committee on Investigations and Government Operations and NY Senate Committee on Racing, Gaming & Wagering re the racing industry in NY and Nationally. 2010.
- NY Senate Committee on Racing, Gaming & Wagering re MOU for state racing franchise and VLTs at Aqueduct. 2007.
- National Council of Legislators from Gaming States. 2005-2007.
- International Simulcast Conference. Thoroughbred Racing Associations, Harness Tracks of America, and American Quarter Horse Racing. 2004.

Applicable Project Experience

Jeffrey C. Hooke

Corporate Finance:

Jeffrey C. Hooke is managing director of Hooke Associates LLC and a managing director of Focus, LLC, an investment bank based in Washington, DC. Previously, Mr. Hooke was a director of Emerging Markets Partnership (a \$5 billion private equity partnership), a principal investment officer of the World Bank Group, and an investment banker with Lehman Brothers and Schroder Wertheim, respectively, two

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prominent securities firms based in New York. Mr. Hooke is the author of four books: *The Dinosaur Among Us: The World Bank and Its Path to Extinction* (2007), *The Emerging Markets* (2001), *Security Analysis on Wall Street* (1998), and *M&A: A Practical Guide to Doing the Deal* (2014).

Gaming:

Mr. Hooke's studies on casino-style gaming have led to testimony on the value of gaming licenses and the prospective revenues from state-sanctioned gaming expansion before the legislatures of Indiana, Kentucky, Maryland, Massachusetts, Pennsylvania and Texas. His views on gaming expansion have been referenced in numerous publications, including the *New York Times*, *Forbes*, *Washington Post*, *Chicago Sun Times*, *Columbus Dispatch*, *Philadelphia Inquirer*, *Houston Chronicle*, *Baltimore Sun*, *Dallas Morning Post*, *Cleveland Plain Dealer*, *Boston Globe*, *Miami Herald*, *Fort Lauderdale Sun Sentinel*, *New York Post*, *Louisville Courier Journal*, *Indianapolis Star*, *Pittsburgh Post-Gazette*, *Kansas City Star*, *San Diego Tribune*, *Singapore Straits Times*, *Texas Observer*, *Gaming Observer*, *Bloodhorse* and *Thoroughbred Times*.

Mr. Hooke co-authored or authored the following: the August 2003 report "Legalizing Video Slot Gaming in Maryland: A Business Analysis" (published jointly by the Maryland Tax Education Foundation (MTEF) and the Maryland Public Policy Institute), the October 2004 report, "Expanding Slot Gaming in California: A Business Analysis" (published by the Reason Foundation), the April 2005 report, "The State Legislature May Leave \$4.5 Billion on the Table by Not Setting a Fair State Gaming Tax" (published by Florida Tax Watch), the February 2006 report "New York State's \$2 Billion Trifecta: NYRA, VLTs & OTB" (published by MTEF), the October 2008 report "Ohio Casino Giveaway: Ohio Taxpayers Could Lose \$1 Billion by Approving Issue 6" (published by Buckeye Institute for Public Policy Solutions), and the December 2012 report "\$500 Million License Fee for MGM/National Harbor Casino (published by the Maryland Public Policy Institute).

Mr. Hooke's reports, testimony and media work has led to taxpayers receiving over \$2 billion in additional revenue from casino operations, principally through the sale (instead of giveaway) of casino licenses and through higher tax rates (Pennsylvania- \$600 million, Indiana - \$500 million, New York - \$400 million, Maryland - \$600 million, and Illinois - \$325 million). His work influenced the Government of Singapore in its determining up-front payments for its \$4 billion casino project.

Mr. Hooke was the financial advisor to the Florida Breeders and Horsemen, with respect to their negotiations with Magna Entertainment Corp. He advised the Thoroughbred Horse Owners of California in their discussions with racetracks regarding electronic gaming. In April 2007, he advised Pinnacle Entertainment, Inc., a major casino firm, on the \$500 million value of two gaming licenses for the Indianapolis area. In 2009, he advised the State Senate President of Kentucky on gaming expansion alternatives. In 2010, he was retained to evaluate the proposals for slot machines at Aqueduct racetrack in New York City. In 2011, he was retained as an expert witness in a racino dispute and he testified in federal court in 2012.

Charles E. Vickery III

Charles E. Vickery is an independent research consultant specializing in the areas of gaming, pari-mutuels and geodemographics. He has published scientific articles about racehorse biomechanics and cardiovascular systems as they relate to performance. He played a major role in developing the statistical methodology used to ensure integrity in the national pari-mutuel wagering network. He has provided extensive geodemographic analysis requiring statistical research to diverse industries and brings broad perspective to the gaming and pari-mutuel industries. He has worked with a broad range of gaming and pari-mutuel participants, including simulcast providers, racetrack owners, racehorse owners and trainers, regulators and legislatures. He has served as a federal expert witness regarding gaming and racing matters.

Mr. Vickery has researched the greyhound industry as a part of studies conducted for New York gaming and pari-mutuel interests (including the history and end of greyhound racing in the northeast), Florida gaming and pari-mutuel interests (including Florida's large greyhound industry), Louisiana gaming and pari-mutuel interests (including greyhound racing in the region) and Alabama government and pari-mutuel interests (including greyhound racing at Birmingham Race Course and throughout the region).

Federal Court expert witness. Provided expert testimony regarding racing and gaming in Pennsylvania, involving extensive analysis of pari-mutuel and gaming historical data and trends (April 2012).

Thoroughbred Racing Protective Bureau (TRPB). The TRPB is the protective bureau for most major US Thoroughbred racetracks. Charles E. Vickery provides statistical support to TRPB, including its wagering security operations used to monitor wagering activity and detect irregularities. This work requires expert knowledge of pari-mutuel statistical data and its use throughout the industry.

Hialeah, Inc. Charles E. Vickery provided consulting services to Hialeah in its 2011 bid for Monmouth Park.

New York State Off-Track Betting (OTB). Charles E. Vickery has conducted research and statistical analysis of industry issues, including existing and proposed pari-mutuel legislation for all six of New York's OTB corporations. He was a key team member in a feasibility analysis of New York City OTB's restructuring plans.

Thoroughbred Racing Associations (TRA). Charles E. Vickery reported on the status of casino gaming at all major US Thoroughbred racetracks, summarized purses at those tracks over an eight year longitudinal period, and projected casino contributions five years ahead. The TRA represents most major US Thoroughbred racetracks. Components of this study were incorporated in the Kentucky Governor's analysis of Kentucky's pari-mutuel industry.

Maryland Tax Education Foundation. Charles E. Vickery assessed gaming market geodemographics and matched Maryland purse earnings to racehorse owners' and trainers' mapped addresses.

Hooke Associates LLC. Charles E. Vickery provided geodemographic analysis and research regarding projected Ohio casino revenues for a report titled, "Ohio Casino Giveaway: Ohio Taxpayers Could Lose

“\$1 Billion by Approving Issue 6,” published by Buckeye Institute for Public Policy Solutions and authored by Jeffrey C. Hooke, an adjunct scholar for the Buckeye Institute.

Birmingham Race Course. Charles E. Vickery was a key team member in a study of the feasibility of re-introducing horseracing at Birmingham Race Course on behalf of the Birmingham Racing Commission, Alabama Horsemen’s Benevolent and Protective Association and the Jefferson County Racing Association, which owns Birmingham Race Course.

Blow Horn Equity, LLC. Charles E. Vickery provided industry research and strategic planning services regarding Blow Horn Equity’s interests in racing and gaming industry acquisitions.

Chicagoland gaming interests. Charles E. Vickery was a key team member in an assessment of Chicagoland’s pari-mutuel industry.

Fort Erie Race Track. Charles E. Vickery a key team member in the preparation of a racetrack business case (business plan) for the Fort Erie Live Racing Consortium, which operates Fort Erie Race Track in Ontario, Canada. The business case, submitted to the Ontario Racing Commission, was required by the Horse Racing Industry Transition Assistance Program administered by the Ontario Ministry of Agriculture and Food and Ontario Ministry of Rural Affairs.

Pennsylvania Harness Horsemen’s Association. Charles E. Vickery was a key team member in a study of the impact of casino gaming on the horseracing industries of New York and Pennsylvania.

New York State Senate Racing, Gaming and Wagering Committee. When Senator Larkin chaired the Senate Racing, Gaming and Wagering Committee, Charles E. Vickery assisted the committee with its annual publication of racing, gaming and wagering statistics. He provided the committee with a detailed, timely analysis of the September 2007 Memorandum of Understanding regarding the state racing franchise (granted to the New York Racing Association) and video lottery gaming facility at Aqueduct (now operated by Genting as Resorts World Casino New York City). Mr. Vickery also testified before the New York Senate Committee on Investigations and Government Operations and Senate Committee on Racing, Gaming & Wagering in January 2010 regarding the racing industry in New York and nationally.

Kentucky Legislative Interests. Charles E. Vickery, with Jeffrey C. Hooke, provided analysis of the advance deposit wagering industry to legislative interests in Kentucky.

Subcontracting. Charles E. Vickery works as a subcontractor with various gaming consulting firms. He also provides geodemographic and mapping services to a broad range of industries nationally.

SECTION 3 SCHEDULE

Table 1 lists the scope of work and schedule proposed to respond to CRFQ 0705 LOT1500000002. The project would be approached through five major tasks, requiring 3 ½ months of labor. Optional ongoing analytical support would be available on a time and materials basis at an hourly rate.

Table 1. Scope of Work and Schedule

<i>Task</i>	<i>Description</i>	<i>Start</i>	<i>Complete</i>
Task I	Initial Research	01/02/2015	02/01/2015
Task I (A)	Initial client meeting	01/07/2015	01/07/2015
Task I (B)	Interview gaming and greyhound industry leaders	01/12/2015	01/16/2015
Task I (C)	Review greyhound-related statutes and legislative initiatives	01/02/2015	01/06/2015
Task I (D)	Review history of greyhound racing	01/19/2015	01/23/2015
Task I (E)	Information and data collection of industry statistics and economic impacts	01/02/2015	02/01/2015
Task I (F)	Review experience of states that have terminated greyhound racing subsidies	01/26/2015	01/28/2015
Task I (G)	Discuss prospects of greyhound racing in West Virginia with public and private investors	01/12/2015	01/16/2015
Task II	Gaming and Pari-Mutuel Market Analysis	02/02/2015	02/28/2015
Task II (A)	Geographic market analysis and competitive landscape	02/02/2015	02/13/2015
Task II (B)	Geographic distribution of purses and breeding awards	02/16/2015	02/20/2015
Task II (C)	Interview area businesses, government and community	02/23/2015	02/27/2015
Task III	Data Analysis	03/02/2015	03/13/2015
Task III (A)	Summarize pari-mutuel and gaming data	03/02/2015	03/06/2015
Task III (B)	Analyze revenue and expenses per greyhound	03/09/2015	03/13/2015
Task IV	Fiscal Impact Analysis with Five-Year Pro Formas	03/16/2015	03/31/2015
Task IV (A)	Analyze fiscal impact of existing gaming environment	03/16/2015	03/20/2015
Task IV (B)	Analyze fiscal impact of alternative scenarios	03/23/2015	03/31/2015
Task IV (C)	Analyze a non-subsidized greyhound industry's chances of obtaining commercial backing	03/16/2015	03/31/2015
Task V	Recommend Course of Action	04/01/2015	04/17/2015
Task V (A)	Present best case pro forma	04/01/2015	04/10/2015
Task V (B)	Explain if the benefits of regulation justify the cost	04/13/2015	04/17/2015
Task V (B)	Compare and contrast other states' tactics	04/20/2015	04/24/2015
Task VI	Optional ongoing analytical support	T&M	T&M
Total	Total time for tasks I-V	01/02/2015	04/30/2015

APPENDIX A: ADDENDUM ACKNOWLEDGEMENT FORM

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: LOT1500000002

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgement form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgement: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specifications, etc.

Addendum Numbers Received:

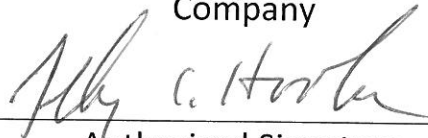
(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representative and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Hooke Associates LLC

Company



Authorized Signature

11-20-2014

Date

APPENDIX C: CONFLICT OF INTEREST STATEMENT

CONFLICT OF INTEREST STATEMENT

CONFLICT OF INTEREST STATEMENT (per pg. 20 #39 & pg. 24 #3.4 of RFQ)

This study is an independent analysis. Hooke Associates, Inc. does not presently have and will not acquire an interest, direct or indirect, which would conflict with or compromise the performance of its obligations hereunder. Vendor shall periodically inquire of its officers, members and employees to ensure that a conflict of interest does not arise. Any conflict of interest discovered shall be promptly presented in detail to the agency.

Hooke Associates LLC

Company


Authorized Signature
11-20-2014

Date

APPENDIX D: REFERENCES

REFERENCES

REFERENCES REQUESTED IN SECTION 3.3 OF RFQ

NAME	Brad Metcalf
CONTACT PERSON	State Senate of Kentucky (Clerk)
PHONE NUMBER	(502) 564-8100
EMAIL ADDRESS	brad.metcalf@lrc.ky.gov

NAME	Chris Summers
CONTACT PERSON	Maryland Public Policy Institute
PHONE NUMBER	(240) 686-3510
EMAIL ADDRESS	csummers@mdpolicy.org

NAME	Senator William J. Larkin, Jr. (former chair of New York State Racing, Gaming and Wagering Committee)
CONTACT PERSON	New York State Senate
PHONE NUMBER	(518) 455-2770
EMAIL ADDRESS	larkin@senate.state.ny.us

APPENDIX E: CONTRACT MANAGER

CONTRACT MANAGER

Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary Contract Manager responsible for overseeing Vendor's responsibilities under this contract. The Contract Manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract Manager and his or her contact information below.

Contract Manager:	Jeffrey C. Hooke
Vendor's Address:	7504 Maple Ave. Chevy Chase, MD 20815
Telephone Number:	(202) 470-1067
Fax Number:	(202) 785-9413
Email Address:	jhooke@hookeassociates.com

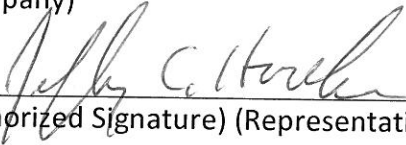
APPENDIX F: CERTIFICATION AND SIGNATURE

CERTIFICATION AND SIGNATURE PAGE

By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Hooke Associates LLC

(Company)



Jeffrey C. Hooke, President

(Authorized Signature) (Representative Name, Title)

Phone: (202) 470-1067 Fax: (202) 785-9413 Date: 11-20-2014

(Phone Number) (Fax Number) (Date)

APPENDIX B: PURCHASING AFFIDAVIT

RFQ No. LOT1500000002

STATE OF WEST VIRGINIA
Purchasing Division
PURCHASING AFFIDAVIT

MANDATE: Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default on any of the provisions of such plan or agreement.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or any entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: Hooke Associates LLC

Authorized Signature: [Signature] Date: 11-20-2014

State of COLUMBIA

County of WASHINGTON, to-wit:

Taken, subscribed, and sworn to before me this 20 day of NOVEMBER, 20 14.

My Commission expires JANUARY 14, 20 17.

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]

Purchasing Affidavit (Revised 07/01/2012)

Hooke Associates LLC

