

Luckii supports HB 3394, but opposes -A3 Amendment

Oregon business would be shut down after supporting horse racing, following all state laws, investing in community

Luckii – is an advanced deposit wagering (ADW) platform using historical horse races (HHR)

- Received a 5-year license (effective December 15, 2019) by the Oregon Racing Commission
- Publicly launched in December 2020
- Pays an annual licensing fee of \$72,000, plus revenue share to horsemen and State.

Many factors should be considered before the Legislature reverses course without warning on a licensed operator who has invested significant resources into product development, licensing, compliance and partnerships.

The amendment proposed to HB 3394 targets a licensed company that has invested millions, has shown a demonstrated commitment to the horse racing industry and will be forced to stop operating just five months after launching, while in full compliance with Oregon law. Before shutting down this business, we urge you to consider:

- SB 77 passed the Legislature in 2019 with the stated goal of saving Oregon horse racing
- According to the staff measure summary, “Senate Bill 77 allows multi-jurisdictional hubs to conduct pari-mutuel wagering on previously held races.”

Luckii is:

- A local employer with four full-time Oregon employees who were laid off due to the closure of Portland Meadows and have deep roots in Oregon horse racing. Luckii plans to employ 40+ in Oregon by 2023, with a projected annual payroll of \$3.5 million.
- Operated by a multi-jurisdictional hub to conduct pari-mutuel wagering on previously held races in full compliance with SB 77, with rules developed by the ORC. Luckii is licensed to operate from 2020-2024.
- Managed by ELS Gaming, a multi-jurisdictional Automatic Deposit Wagering company that developed the concept in 2017, then invested \$15M to create the first historic horse racing technology on a digital platform, specifically to comply with requirements.

ELS engaged in good faith with the ORC to license Luckii in a process that included:

- A rigorous, year-long licensing and auditing process
 - Formal ORC presentation, formal public hearing, open public comment period
 - Exhaustive review of the platform/model to ensure statutory and regulatory compliance
 - Third-party testing and certification of safety and security controls
 - Hardware and infrastructure hosting within Oregon, including a call center in Beaverton
 - Submission of a formal license application, annual fees, required payments to the ORC and horse racing interests, as required by statute and a market-source agreement with Grants Pass Downs
 - First satisfactory annual audit of Luckii by the ORC in April of 2021 reviewed system integrity, operational controls, finances, documentation checks, customer tickets, call monitoring and other important components to ensure full compliance
- In March, Luckii entered a \$1M, 3yr partnership with the Portland Timbers and the Stand Together Foundation, as the team’s Official Online Gaming Partner – one of many community partnerships cultivated since launch.
 - ELS has a history of investing in the horse racing industry and the communities where it does business. While they have been focused on building partnerships in Oregon, these proposed amendments emerged that threaten to completely shut down the business.
 - As an ADW company with a multi-jurisdictional license, ELS can expand Luckii and offer this mobile historic racing platform in any state that authorizes mobile historic horse racing – with proceeds flowing back to Oregon for wagering that happens in other states.
 - Destroying this business now threatens not only Luckii, but the future impact of revenue from wagers in other states, which benefit the horse racing industry, the Oregon Racing Commission and ultimately the General Fund.

Please Oppose -A3 Amendment to HB 3394 – Legislation Should Not Target a Licensed Company that has Demonstrated Compliance with Statutory and Regulatory Requirements without a Proper Study.

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