



Letter from:

Drummonds Kirkwood LLP
Solicitors.

27 July 2007.

To All Members of the Federation of Racecourse Bookmakers.

Dear All,

As you know, my Firm acts for the Federation of Racecourse Bookmakers, whose Directors are Robin Grossmith, John Stevenson and Philip Crisp.

I was instructed to advise on the Racecourse Association's position regarding the tenure of your pitches. They have made it clear in correspondence that from 1st September 2012 racecourses will not recognise lists or transfers of pitches as between betting operators. The allocation of positions in betting rings will thereafter be for commercial negotiation between racecourses and betting operators.

As you are well aware, bookmakers regard those pitches as their assets and they have been bought and sold by auction or private treaty since 1998.

If the Racecourse Association have their way, then your assets will completely devalue.

The approach that has been taken has been twofold – one is the direct legal approach and the other is by way of persuasion and vigorous representation through the Federation and their appointed Parliamentary Lobbyists, Ranelagh.

You may be already aware that there have been vigorous representations made on your behalf in Parliament. That, together with the unceasing efforts on your behalf, has forced the Government to review the matter and I am pleased to announce that the Department of Culture, Media and Sport has confirmed that a Select Committee is now conducting an Enquiry into on-course bookmaking with the following terms of reference;

- ❖ What the likely effects would be of allocating on-course betting pitches on a purely commercial basis, as has been proposed by the Racecourse Association;
- ❖ What indications on security of tenure, if any, were given to those buying positions on bookmakers' lists in recent years;
- ❖ What the role of the Government should be in the process for agreeing on a future framework for allocation of on-course pitches for bookmakers.



The Federation of Racecourse Bookmakers Limited

Association of
Racecourse Bookmakers

National Association
of Bookmakers

Rails Bookmakers
Association



Continued.

All evidence will be taken by the Committee in November and all written submissions have to be lodged by Friday, 12th October 2007. Following this announcement, your Directors have now, together with the legal team, put in hand preparation of statements and are arranging for your representation at the Enquiry in November.

In respect of the legal issues, there is an opportunity to assert the protection of your rights under existing Human Rights legislation, more particularly Article 1 of the First Protocol, and the separate and distinct argument of loss of legitimate expectation in light of the representations that have been made.

That and other legal arguments can be deployed, but in light of the announcement by the DCMS it is felt that negotiation and representation before that Committee will be the most purposeful way forward to protect your position at this time.

I trust this is of assistance.

Yours sincerely,

A. J. LAWSON.
Drummonds Kirkwood LLP