

Sportingbet Chairman Makes Bail, Fights Extradition

Sportingbet Plc Chairman Peter Dicks was granted USD 50,000 bail in New York while he fights extradition to Louisiana on criminal charges of illegal Internet gambling.

Dicks, 64, was released on bond by New York Supreme Court Justice John Latella today after spending last night in jail in New York. He was being held on a Louisiana criminal warrant as part of an investigation of illegal computer gambling in that state. Dicks was arrested just before midnight Sept. 6 at John F. Kennedy International Airport in New York.

„I really don't doubt that Mr. Dicks will return,“ Latella said at hearing in Kew Gardens, New York, in Queens County.

Sportingbet, based in London, is the second foreign company to be caught in a government crackdown in the U.S. on illegal online gambling. U.S. officials say online betting sites may launder money and sell drugs and lack safeguards to screen out minors and gambling addicts.

Dicks, who is also chairman of London-based Daniel Stewart Securities Plc, surrendered his British passport, a condition of his bail. Latella ordered him to remain in the New York metropolitan area as he awaits a Sept. 14 hearing on whether he should be extradited to Louisiana.

Dicks said the freedom of movement granted him by the judge was „more than adequate.“

Sportingbet's chairman was detained by police at JFK seven weeks after David Carruthers, former chief executive officer of British online bookmaker Betonsports Plc, was arrested at a Texas airport and indicted on federal racketeering charges. The two arrests have battered the stock price of offshore

Internet gambling companies that take bets in the U.S.

U.S. Crackdown

Carruthers was indicted about a week after U.S. legislators approved a measure to stifle online gambling by restricting the flow of money to illegal gaming Web sites.

Dicks's lawyer, Peter Neiman of the Washington firm of WilmerHale, told the judge that his client's willingness to travel in the U.S. so soon after Carruthers's arrest showed that Dicks didn't believe he had done anything wrong.

„There are serious questions regarding whether New York's extradition statute permits extradition for conduct allegedly committed entirely overseas,“ Neiman argued in requesting bail.

Neiman told the judge that Dicks hadn't been in Louisiana for more than 20 years, long before he joined Sportingbet.

Dicks' bail request was supported by two letters of recommendation. Steven J. Bilodeau, the chief executive of Standard Microsystem Corp., based in Hauppauge, New York, wrote that Dicks „historically has exhibited the highest character and integrity.“ Dicks is a Standard Microsystem board member.

,High Character'

„Mr. Peter Dicks is a man of the utmost high character,“ Sanford Robertson, founder of Menlo Park, California-based Francisco Partners, wrote in the other letter.

Dicks joined Sportingbet as non-executive chairman in 2000, according to the company's Web site. He co-founded venture-capital firm Abingworth Plc and is a director of companies in the U.S. and U.K., including Polar Capital Technology Trust. He also is chairman of Private Equity Investor Plc, a London company that invests in computer and Internet companies.

Dicks was arrested after stepping off a British Airways flight from London. U.S. Customs officials noticed the Louisiana warrant during a routine check. Dicks was taken into custody by airport police. Additional arrest warrants have been issued in the case and remain sealed, Louisiana state police said.

Sportingbet has a stock market value of 1 billion pounds (USD 1.9 billion). After asking for trading to be suspended, the company announced yesterday that Dicks was being held in the U.S.

Stock Drop

Sportingbet stock slid 44 percent in two days in July after Betonsports's CEO was arrested and charged. A U.S. court ordered Betonsports to stop accepting wagers from the country, its main market, and return deposits to American gamblers. Betonsports said last month it would shut down units that take U.S. bets.

Sportingbet said today it will continue to operate „as normal.“ The company hasn't received correspondence from any U.S. authority regarding Dicks' arrest or any related matter, it said in a statement.

Online gambling has become a \$ 12 billion-a-year industry for companies including Gibraltar-based PartyGaming Plc, the world's biggest Internet poker company, which got more than four-fifths of its sales from the U.S. last year.

European online-gambling stocks were mixed following yesterday's declines. Bwin Interactive Entertainment AG, an Austrian online bookmaker, rose 1.79 euros, or 7.3 percent, to 26.49 in Vienna after sliding almost 9 percent yesterday. 888 Holdings Plc, the largest online casino operator, added 1 percent to 145.5 pence, recovering some of yesterday's 16 percent tumble.

World Gaming Plc, which slid 30 percent yesterday, lost a

further 3.4 percent to 62 pence. PartyGaming, which closed 10 percent lower yesterday, fell another 0.2 percent to 105.5.