

Alan Woods 1945-2008

The mystery benefactor behind OzOne dies unexpectedly

By PAUL MARSTON, SYDNEY

ALAN WOODS was a bridge player of note – he was one of us – but it was outside of bridge that he truly made his mark. After a number of colourful twists and turns he became the world's most successful horse racing gambler with a personal fortune of over \$700 million. But he always retained his strong links with the bridge community and it was he who made the anonymous donation of \$1 million per year that led to the creation of OzOne. He also offered to help the upcoming PABF in Surfers to the tune of \$250,000.

He was diagnosed with appendiceal cancer towards the end of last year. While his outlook was not bright, it was never expected that the end would come as soon as January this year. He died in a hospital in Hong Kong surrounded by family and close friends.

His first wife, Meredith Woods of Melbourne, is well known in bridge circles around Australia. They married in 1972 and have two grown up children. Alan also has a young son from a Filipino partner.

Alan was a mixture of contrasts. On the one hand he was famous for his bacchanalian parties. When he threw a party you could be sure that no expense would be spared. His annual party to mark the end of the racing season in Hong Kong was always a special event. Each year it was held in a different resort around the world. As with Woodstock, if you remember the party you weren't there. But there is no better example of his extravaganzas than his 60th birthday party. He flew more than 100 of his best friends from all over the world to a luxury resort in Bali for three days of celebration.

Yet at other times he lived quite a reclusive existence, rarely stepping out of his luxury apartment, whether it was in Hong Kong, Manila or Sydney. But even during these monastic retreats, he would always maintain a very active contact with his many friends, sending them almost daily entertainment by email.

All the while he remained focussed on his business. It may surprise some that he never knew the names of any horses and he had not been to a race since 1985. It was his computer system that did the hard work of rating the field and picking the winners and its success spoke for itself. Using the system, he created an international business that currently has more than one hundred employees who are operating in different horse racing markets all around the world.

He was very generous, and not only to his friends. He helped many needy

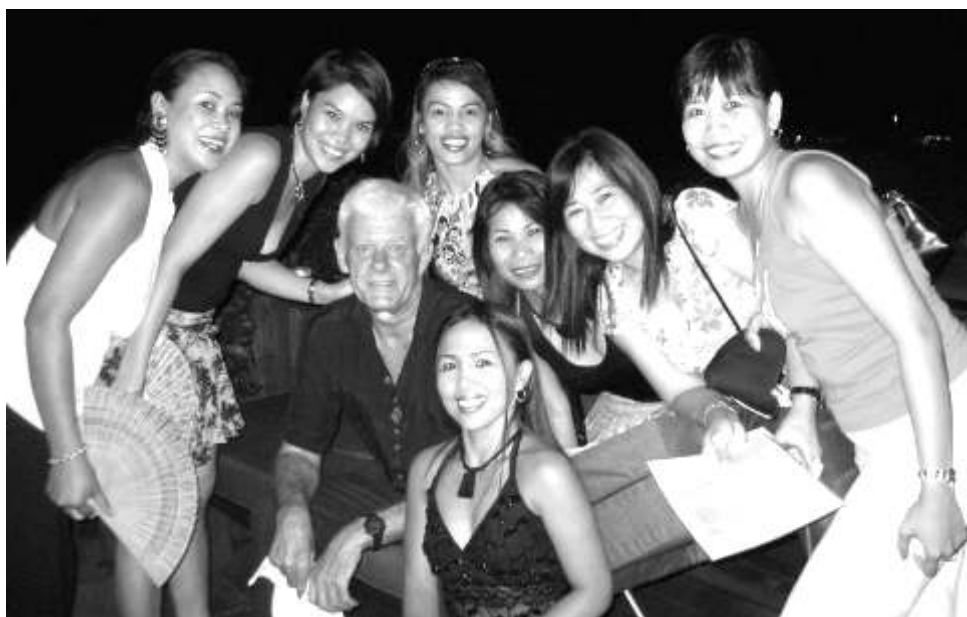
strangers. By nature he was a libertarian and he lent moral and financial support to campaigns for social justice in Asia, where he spent much of his life. As with his support of OzOne, he gave this support without a single thought of anything in return. But those who crossed him were quickly cut off the list.

He once told me the story about an old girlfriend who took him for \$20,000 when they split, at a time when Alan had nothing.

He said in his droll manner, "It cost her millions." Having met a few of his ex-girlfriends I can vouch for the fact that it is true.

This is how the OzOne donation came about.

In August 2004, I was in Manila on my way to Hong Kong to edit the daily bulletin for the Hong Kong Intercity Championships. At the time Alan was spending a lot of his time at one of his two apartments in Manila so I phoned to say hi. He suggested I drop by for a few drinks the next afternoon. When I arrived security called the apartment and a short time later I was on the 32nd floor being greeted by a pretty young Filipino girl who showed me into the luxurious two floor apartment. She offered me a drink and explained that Alan was still sleeping. We played



Alan and friends at his 60th birthday in Bali, April 2005

pool for 45 minutes or so when Alan emerged at the head of the sweeping staircase. He was unshaven, wearing only a T-shirt and a pair of shorts and carrying a thermos of ice coffee. We adjourned to the study where we spent three hours discussing the bridge scene and the world of gambling. I told him about our system that rates bridge players. I also told him that it was his system that had given me the original idea.

All the while we were being offered refreshments by various members of his staff, all young Filipino girls. I left at about 8pm.

Soon after arriving back at my hotel I received an email from Alan suggesting I come back to his apartment the next night at about 8pm. The last line of the email read "Don't drink any alcohol before you come – I want to talk business."

The next night I turned up sober as instructed and I was directed up the sweeping staircase to the private floor. I was guided to the office where Alan was sitting in front of two computers. There was a race meeting going on in Hong Kong and he was keeping a close eye on the bets that were being laid by his staff but that only kept him busy for about ten minutes in every half hour. In between, he told me that he believed that the rating system was the future of bridge.

He also explained that he had been impressed by an editorial that he had read in Australian Bridge that said, in essence, that the reason for the failure of Australia on the world bridge stage was due to the fact that our small pool of talent has to spend most of its time playing with partners who can pay in order to make its daily bread.

He said, "I plan to donate \$1M per year to fix these things!" Even in my sober state, I nearly fell off my chair.

For the next two hours we concentrated mostly on what was happening in Hong Kong. The early races were bad but he finished well winning a triple treat to end up, as I recall, making \$HK700,000, which is about \$A160,000.

Landing the OzOne money

Alan recruited Jan Cormack, who was returning from Asia, to bring the million dollars from Japan, in cash! She delivered the money to Alan's office in Sydney and his staff shopped around for the best exchange rate on the Yen. We ended up going to a bank called Travelex in the QVB. I met up with Jamie Ebery at the bank at 1pm on a Friday. Jamie is a bridge player and mathematician who worked in Alan's Sydney office. He had the money in a backpack.

We kept two tellers completely occupied for about an hour counting our little mountain of money. Do you remember that line from the Beatles – money can't buy me love? Well, it's not true. As I stood there while the tellers were doing their thing, a pretty young girl came up to me and said, "Hi, my name is Sue, let's have a coffee?" Sadly I didn't have time, and for unusual reasons. It was getting on for 4pm and I was sitting in the public area of the bank waiting for the manager to finalise the transaction when a man in a grey suit approached me and asked me if I was Paul Marston. I said yes and he showed me his card, identifying him as being with the New South Wales crime commission. He said come with me please. I said what if I don't want to come? He then reached into his pocket and pulled out a summons so off we went. We walked about three blocks to their

offices where I was taken into a tiny little office with no windows that was air-conditioned to sub human temperatures. The assistant director of investigations then joined us. He said we want to get to the bottom of this money. I then answered various questions and waited while they checked them out. They phoned Jan Cormack in Auckland and they retrieved her arrival card from the immigration department. They noted that she had checked the box saying she had more than \$10,000. Well, she did! After two hours of sitting in the office, usually by myself, I asked if I could sit in the lobby area, which was a bit warmer and they agreed. They checked out me, OzOne, the ABF and much more. Finally at about 8pm, they said I could go but that they were still holding the money. The assistant director handed me his card and said call me on Monday morning. After a slightly anxious weekend, I called him early on the Monday morning and I was delighted to hear a very friendly voice. He said they have no further interest in the money and he apologised to me for the rough treatment I had received. He explained that they have to take added precautions these days because of the threat of terrorism. I said do not apologise – I am pleased to see that the country is in such good hands.

I returned to Manila towards the end of 2005 and spent a lot of time with Alan but we only briefly discussed his donation. His only suggestions were that there be a committee of five and that the ABF hold the cash.

The events that followed are recorded in the sidebar on this page.

If you close your eyes and picture one of the kings of the gambling world, I expect you will come up with someone who is loud and the life of the party. But Alan was nothing like this. He usually said very little and he simply wouldn't reply if your opening line was about the weather. But when he did talk you always got the sense that he knew what he was talking about,

even on quite diverse topics. And there was no spin or false modesty.

Jan Cormack, New Zealand's all-time leading female bridge player, was a long-time close friend. She describes him as a mathematical genius, loyal, trustworthy, rather eccentric, and a good friend.

Despite his success at gambling, Alan wasn't always interested in gambling. He was born in Murwillumbah, northern New South Wales, in 1945. He had a very fast mind and a prodigious memory, but he was rather lazy in his early years. He went to university in Armidale studying mathematics but dropped out. He took a job for a firm of consulting actuaries but he was



Alan gets a birthday kiss from Jan Cormack in Bali in 2005.

fired for not turning up on time. He then became an investment analyst for a merchant bank. He learned bridge in the late 60s in a rubber bridge group. Around 1969 he tried a duplicate session at the VBA and he was hooked. He started reading bridge books at every opportunity and he became a very good player. He played with most of the leading lights of Melbourne and he made his mark in Victoria.

It was around this time that Alan first became interested in gambling. He heard about the edge you have at blackjack if you count the cards. He put it to the test during the 1973 ANC at the Wrest Point Casino in Hobart and won \$6,000, no small sum in those days. He returned to Wrest Point several times, usually with great success. Soon after Meredith left him in 1979, he returned to New Zealand. (He also had done a stint there in the early 70s.) Around this time, he decided to take up gambling full time. He formed a team of blackjack players and they headed off to Las Vegas and Europe to the world's biggest casinos. Having a team of players was important because that increased the turnover, which minimised the risk from losing streaks, an ever-present danger when you operate on the small edge that existed at the time for card counters.

They played long hours and they generated a steady profit. The only trouble was that the casinos soon figured what was going on. You can always tell a card counter by the way he varies his bet at different times – the more low cards that are gone from the deck, the more he bets. So they knew Alan's team was counting the cards and they quickly banned any player who was making a steady profit. The world does not have so many casinos that you can always find a new one, so the challenge for Alan and his team was to avoid detection.

Malcolm Sims, my bridge partner in the late 70s, was a member of Alan's blackjack team. Sims would entertain us for hours with stories about their running battles with casino heavies all over the world. They mastered the art of disguise. Jan Cormack recalls meeting Alan at the 1980 World Teams Olympiad in Valkenberg, The Netherlands. "I hardly recognised him with granny glasses and tightly permed grey hair."

The blackjack days were important for Alan in that they provided him with a bankroll. It was from that bankroll that he created his vast wealth. In 1984 he left New Zealand for Hong Kong where he and two partners started working on a computerised betting system for horses. For the first two years they struggled, wiping out their \$150,000 bank. One of the partners lost his nerve and left. But Alan remained confident that the plan would succeed. He continued to inject just about all of his remaining blackjack money. However, in 1987 he had an acrimonious break up with his remaining partner. It was only later that year, after three difficult years, that he finally showed a profit. During the next three years he won \$HK37 million and from there he took off.

In essence, the system would look at all the horses in a race and calculate the probability of each one winning. Alan would then bet on all the horses that presented good value. For example, if a horse was calculated to have 20% chance of winning, Alan would back it if it was paying more than \$5.

The system looked at many variables. For example: gender, track, weight, distance, barrier position, number of starts, early speed, late speed, and much more. He also had experts at the track who would watch the horses to see how they looked. The system had a vast volume of data to draw on. But the key was how to weight the various factors.

In short, it was Alan's genius to produce an algorithm that isolated the important variables of horse racing and to weight them properly. He was then able to take this clever system and turn it into a highly successful international business.

The future of OzOne

OzOne Bridge was launched in January 2006. The main project was the open team and, sad to report, it did not go as planned. It was suspended in September last year. This was a personal blow for me because the ideas that sparked the scheme were largely mine and I was the chairman of the OzOne committee (and still am). We made this announcement:

The OzOne committee has decided to suspend its open team project. The principle objective of the project was to produce a team that would be competitive at the highest levels of the game. While it was not expected that this goal would be achieved in the eighteen months that the project has been running, the results in general have been less than expected and the committee believes that there is insufficient stability amongst the players to get the program back on track in the short to medium term future. The program is currently being reviewed with input from all those who were involved. This is expected to be of considerable benefit, should the program be resurrected in future. Despite not achieving the principle objectives, the committee believes the project has still been of significant benefit to our leading players. It has helped them to understand what it takes to succeed at the highest level of the game and it has helped to create more of a winning culture. We believe that the benefits of this will be seen in the years ahead.

Meanwhile OzOne has continued to support the bridge rating system and if this succeeds as we expect it to, it will be a fitting legacy to Alan. []