

SPRING AT LAST WINS DONN H. ■ FLORIDA VOTERS APPROVE CALDER SLOTS

THOROUGHBRED TIMES®

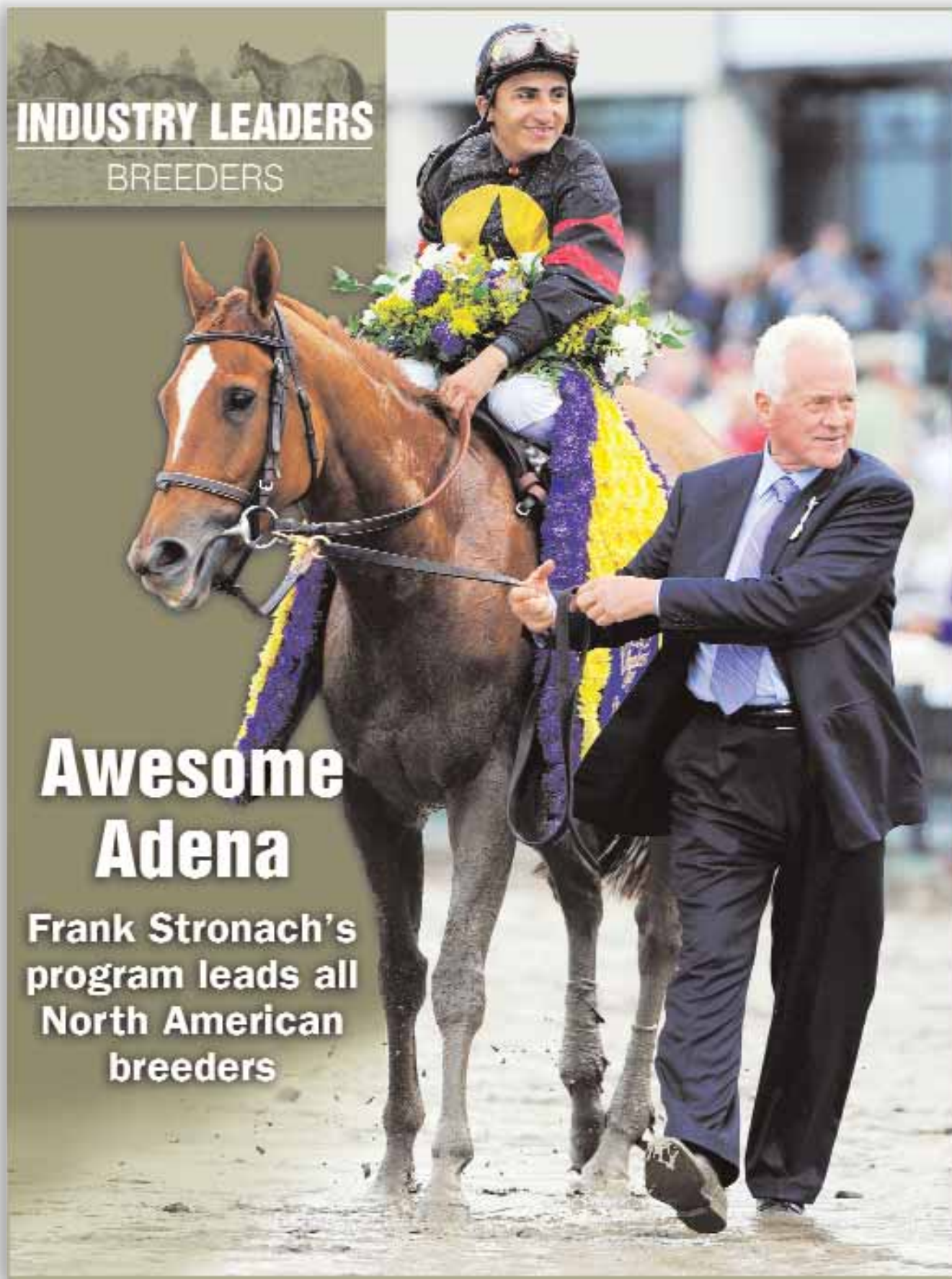
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Steroid issue heats up in Mid-Atlantic

Maryland delays steroid testing until 2009 as other states move forward

by John Scheinman

IN OCTOBER 2007, representatives from racing commissions that regulate horse racing in the Mid-Atlantic states agreed to implement race-day testing for anabolic steroids by spring '08 with penalties for positive results.

Delaware, Pennsylvania, and Virginia commissions all followed up with programs that would begin before the summer. Testing would begin in Pennsylvania on April 1, in Delaware when Delaware Park opens on April 18, and in Virginia when Colonial Downs opens on June 9.

Maryland seemed poised to follow suit when Maryland Racing Commission Chairman John Franzone said in December that the Pimlico Race Course spring meet that begins April 19 and includes the Preakness Stakes (G1) would be steroid-free.



JOHN FRANZONE

That all changed a month later when Maryland fell out of step with its neighboring states. At its January 29 meeting, the Maryland commission voted to delay a steroid testing program until January 1, 2009, citing concerns from horsemen's groups, which contended there were too many unanswered questions regarding uniform withdrawal times and therapeutic uses of the drug that has made headlines throughout the sports world.

"We could implement this tomorrow, but we don't know how we're going to test for it ... or how we're going to pay for it," Franzone said at the meeting. "This isn't going to be an easy one."

With that, well-meaning entities in horse racing found themselves in a familiar place: an uncoordinated state of confusion. The implementation of a steroid ban in racing will not be a smooth transition.

"I thought we were all in agreement, pursuant to our ability to get rules passed," said Rick Abbott, chairman of the Pennsylvania Racing Commission. "Obviously, when the [Maryland] commissioners met last week and heard arguments to the contrary, they decided to back away. I'm disappointed, but it does not change my position. In my conversations with Delaware and Virginia, we don't believe it changes our positions going ahead with it."

The consensus platform for governing steroid testing has been based on a model rule put together by the Racing Medication and Testing Consortium (RMTTC) and the Association of Racing Commissioners International (RCI), with input from horsemen's groups.

But arguments have broken out over therapeutic uses, threshold levels, and withdrawal times as well as how to account for steroids such as testosterone that occur naturally.

At the January meeting of the Maryland Racing Commission, Alan M. Foreman, general counsel to the Maryland Thoroughbred Horsemen's Association and chief executive

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Photo by Z/Jamie Rhodes

NEWS



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Slots approval puts Calder in better position

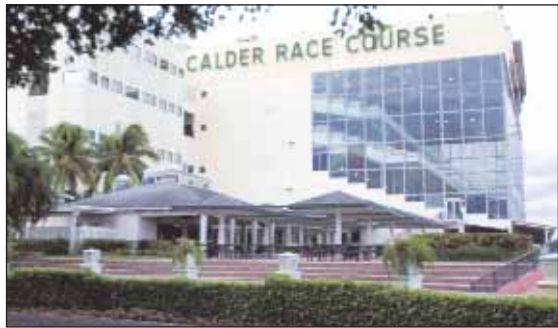
In the gambling hotbed that is South Florida, Calder Race Course President C. Kenneth Dunn only wanted a level playing field.

With Miami-Dade County voters approving the addition of slot machines by a nearly 2-to-1 margin on January 29, Dunn will get his wish.

"This was critical," Dunn said. "There is as much gaming competition in South Florida as anywhere in the country."

In recent years, that competition has included "cruises to nowhere" and Indian casinos. Besides those options, Calder has always competed against other forms of pari-mutuel wagering such as jai alai, greyhounds, Standardbred racing, and other Thoroughbred tracks.

Since November 2006, three area pari-mutuel outlets, including Gulfstream Park, have added slot machines after Broward County voters approved them. In March 2005, Miami-Dade voters turned down racinos 52% to 48% after Governor Jeb Bush campaigned against them. Dunn thinks the addition of Broward County racinos helped shift voters' attitudes. "I think they've seen \$110-million



CALDER RACE COURSE

ing, and a poker room. In September, a Florida Supreme Court ruling opened the simulcast market for South Florida tracks. Calder will open a new card room with its racino.

After some well-publicized revenue struggles at Gulfstream Park—in August, slot machines there averaged an anemic \$68 a machine—that racino slashed its number of machines. In August, Gulfstream offered 1,210 machines. Currently, that total is down to 620, although average revenue per machine has improved to \$183.

Dunn said Florida taxes the machines at a rate of 50%—among the highest rate in the country—but he is confident the racino can be a success. Calder is approved for 2,000 machines, and Dunn said the track would study the market before settling on a number.

Florida law requires racetracks to reach an agreement with the Florida Horsemen's Benevolent and Protective Association and the Florida Thoroughbred Breeders' and Owners' Association 60 days before adding slots, and Dunn expects those discussions to begin within weeks.

—Frank Angst

Las Vegas casinos attempt to attract more horseplayers

Total pari-mutuel wagering in the United States declined for the third time in four years in 2007, but despite that trend, Las Vegas casino operators have spent millions upgrading their race books recently.

"We're showing a lot of confidence in the racing industry," said Art Manteris, vice president of race and sportsbook operations for Station Casinos Inc. "We're promoting their product in some of the most valuable casino space in the country."

Station owns Red Rock, which on January 25-26 played host to the ninth annual National Thoroughbred Racing Association-Daily Racing Form National Handicapping Contest.

Richard Goodall, 64, won the \$1-million contest to earn the \$500,000 first prize after amassing a mythical bankroll of \$272.30 with his 30 win-place selections. His total was the second highest in NHC history, and his \$78 margin of victory was a record for the contest.

Goodall, a Las Vegas lawyer, bested

276 other handicappers who convened in Sin City for what has been referred to as a celebration of the horseplayer.

Indeed, it seems that Las Vegas race book operators have a brighter view of racing's future than the horse industry does. Eighteen race books in town have undergone extensive upgrades during the past 2½ years, and the number of race books since 1993 has increased from 32 to 54.

These improvements may place Las Vegas race books in a better position to market horse racing to newcomers than the racetracks themselves, since Las Vegas has a steady flux of 40-million visitors annually while racetrack attendance is stagnant.

The casinos want players to win because they churn their growing bankroll back into upcoming races,

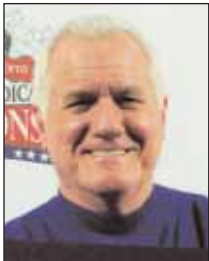
which increase profits for the site. There is little that race book managers would not do to help their players win money and do so in comfort.

"We have a 250-mile buffer between here [and] the closest racetrack," Manteris said. "We provide the racetracks a valuable means for promoting and displaying their product to our audience."

The Nevada pari-mutuel industry peaked in 1998 with handle of \$619-million but took a downturn when casinos could no longer accept wagering on races from Southern California or offer rebates. Total handle fell to \$472-million in 2002, but it has been growing at a steady pace since.

New technology may be entering the Las Vegas market soon, including hand-held betting devices and high-definition television.

—Richard Eng



RICHARD GOODALL

Horsephotos/NTRA Media Service

Steroids-testing disagreement roils Mid-Atlantic

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of the Thoroughbred Horsemen's Association, said the state should wait for the results of research done on steroids at Cornell University.

"There is a clear consensus to control and regulate steroids in racehorses," Foreman said. "It's the implementation that has suffered from problems and needs to be coordinated. I think a January 1, 2009, date will allow for all these issues to be resolved."

Two days after the Maryland commission backed off implementing a steroid ban this year, the RMTC released a statement that set a target date of December 31, 2008, by which model rules for regulating steroids in racehorses should be adopted nationwide.

"We realized that there are testing and logistical issues [that] individual state racing commissions must work through before adopting this

Mid-Atlantic steroid plans

- Delaware**—will begin testing when Delaware Park opens on April 19
- Maryland**—delayed action until January 1, 2009, pending research results
- New York**—proposed rules are in public comment stage
- Pennsylvania**—will begin testing on April 1
- Virginia**—will begin testing when Colonial Downs opens on June 9
- West Virginia**—has initiated rule-making process

anabolic steroid model rule and implementing the penalty phase," Christopher N. Scherf, co-vice chairman of the RMTC and executive vice president of Thoroughbred Racing Associations, said in the release. "But RMTC believes every racing jurisdiction should be strictly enforcing the regulation of anabolic steroids by the end of 2008."

But waiting until December 31 does not make things any easier in the Mid-Atlantic where horses frequently ship from state to state. Dela-

ware Park has struggled in recent years to fill its fields and relies greatly on the support of Maryland-based horsemen. William Rickman Jr., president of Delaware Park, is concerned about fractured rules in the region.

"Racing commissioners from all the states should have a standardized practice for it," Rickman said of steroid testing. "At least the Mid-Atlantic states should be standardized. That's a problem. That's why I thought we'd all ban steroids at the same time."

That said, Delaware is not going to change its plan for a spring implementation.

For his part, Franzone strongly emphasized his objection to steroid use in horses.

"I'm hay, oats, and water, but I'm not going to plunge forward until I know what I'm doing," he said. ♣

John Scheinman is a Washington, D.C.-based correspondent of THOROUGHBRED TIMES.

REGIONAL DIGEST

Still no deal for New York racing franchise

The staffs of the state's top leaders are drafting new racing law, but key points still separate Governor Eliot Spitzer and his legislative counterparts.

The New York Racing Association is operating Aqueduct, Belmont Park, and Saratoga Race Course with a temporary extension that expires on February 13.

Heading into this month, no progress was apparent in resolving issues such as the length of NYRA's next contract, the size and makeup of NYRA's board, and whether Belmont should have gaming as well as Aqueduct.

"We're working steadily and constructively with all parties," said state Budget Director Paul Francis, one of Spitzer's chief negotiators. "I would not say that everything is resolved, but we believe that the issues are resolvable. I don't expect that we'll need any more extensions."

NYRA's first extension expired on January 23. "It's taken a little longer than people expected, but that is the complexity of getting to a definitive statute," Francis said.

He denied allegations that racing has become a political pawn in the state budget process.

"None of the parties are linking any of the issues here to any other topic," Francis said.

On January 30, the International Racing Management group wrote an open letter to Spitzer asking him not to place video lottery terminals at Belmont. That same day, Charles Wait resigned from NYRA's board of directors.

Wait, president of Saratoga Bank and a NYRA board member for 23 years, blamed the New York Senate for racing's current impasse and resigned for fear that retribution from Senate President Joseph L. Bruno (R-Brunswick) might affect NYRA or its board members.

"Unfortunately, racing is threatened by the inability and/or unwillingness of the New York State Senate to agree on a proposal made by Governor Spitzer and ratified by the Assembly, NYRA, and the creditor's committee in bankruptcy court," Wait said in his letter. "I believe that the Senate's inaction may result in the cessation of racing and prolonged litigation." —Paul Post

Machmer Hall buys Stone Farm parcel



ARTHUR HANCOCK

Photo by Z

Machmer Hall farm has doubled its size with the purchase of 180 acres of Arthur Hancock III's adjacent Stone Farm property for \$2,080,000.

The addition will allow Machmer Hall to house all of its 50 yearlings and 100 mares on the same Paris, Kentucky, property. Machmer Hall co-owner Carrie Brogden said the farm would build a barn on its new property.

"It certainly is hallowed ground, just beautiful land," Brogden said, adding that it was more economical to add acres rather than add horses to Machmer's existing space.

More than 120 stakes winners, including three Kentucky Derby (G1) winners, have been born or raised at Stone Farm. Hancock said reducing to 1,820 acres will not be a problem for his operation. —Frank Angst

Guild bankruptcy case to stay in Kentucky

United States Bankruptcy Judge David Stosberg has denied a motion to transfer the venue of the Jockeys' Guild bankruptcy case from Kentucky to California.

The Official Committee of Unsecured Creditors of the Guild had requested that the case be moved from the Western District of Kentucky to the Central District of California, but on January 29 Stosberg denied the motion.

Stosberg scheduled a status hearing in the case on April 22 in Louisville.

The Guild filed its bankruptcy case on October 12 in United States Bankruptcy Court for the Western District of Kentucky.

—Frank Angst

Thoroughbred breeder Karutz dead at 85

Wallace Stanley Karutz, who bred 1986 champion two-year-old filly and Breeders' Cup Juvenile Fillies Stakes (G1) winner Brave Raj, died on January 31 in Ocala. He was 85.

A retired physician, Karutz owned and operated Bourbon Hills Farm, which was originally located in Paris, Kentucky, since 1963. Karutz consigned Brave Raj to the 1986 Ocala Breeders' Sales Co.'s February sale of selected two-year-olds in training. Trainer Ben Perkins purchased the Rajab filly for \$24,000.

Brave Raj won six of nine starts in her only season of racing and earned \$933,650. The dark bay or brown mare out of Bravest Yet, by Bravo, earned five of her wins in stakes races, including the Del Mar Debutante (G2) and Sorrento (G3) Stakes.

Karutz is survived by a daughter, Catherine Karutz Rogers of Lexington, sons George Karutz of San Antonio, Wallace Karutz Jr. of Salisbury, North Carolina, and William Karutz of Nicholasville, Kentucky.