



RCI BULLETIN

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Volume 76, Issue 15 December 1, 2009

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Iuliano Named To Succeed Fick As Executive VP And Executive Director

Matt F. Iuliano, who has served as vice president of registration services for The Jockey Club for the past eight years, has been named executive vice president and executive director of the organization, it was announced today by Ogden Mills Phipps, the chairman of The Jockey Club.

In his new position, Iuliano will continue to oversee all matters concerning *The American Stud Book* and he will represent The Jockey Club as it interacts with industry organizations. He succeeds Dan Fick, who has been appointed as an associate state steward for the Indiana Horse Racing Commission.

Iuliano will assume his new responsibilities on January 1, 2010.

“Matt’s knowledge of the Thoroughbred industry as well as his familiarity with various initiatives that The Jockey Club has spearheaded or supported in recent years will serve him well as he takes on this new assignment,” Phipps said.

“Dan has represented The Jockey Club well and his leadership skills have enabled us to make significant progress with a number of important industry initiatives over the past six and a half years, especially in the areas of medication and safety. The Indiana Horse Racing Commission is fortunate to have him and we wish him all the best.”

Iuliano will report to James L. Gagliano, who will become president and chief operating officer of The Jockey Club on January 1, 2010, succeeding Alan Marzelli, who is retiring from that position. Gagliano currently serves as executive vice president and chief administrative officer of The Jockey Club.

ERIN OWENS
Arizona
Chair

EDWARD MARTIN
Kentucky
President/CEO

DAN HARTMAN
Colorado
Chair Elect

CHARLA ANN KING
Texas
Secretary/Treasurer

“Over the past eight years, Matt has initiated and overseen numerous advances in the Registry that have greatly enhanced the service we provide to owners and breeders,” said Gagliano. “We are fully confident that he will make similar progress with the various industry projects that The Jockey Club supports.”

Iuliano joined The Jockey Club staff in June 2001. Prior to that, he served in several executive capacities at Churchill Downs Incorporated over the course of a 12-year stint.

Prior to joining Churchill Downs, Iuliano spent seven years as director and operations manager of Lasma East, the largest and most recognized Arabian horse farm at the time, in LaGrange, Ky.

He received a bachelor’s degree in agriculture and a master’s degree in physiology and biophysics from Colorado State University before earning an MBA and a law degree from the University of Louisville.

Source: Jockey Club Press Release

Test For Blood-Doping Agent Developed

Anti-Doping Research Inc., which oversees the non-profit Equine Drug Research Institute in California, has developed a test for CERA, a blood-doping agent.

Like the test developed for human competitors, the test for horses successfully detects CERA in plasma after the drug has been administered intravenously, ADR officials said in a release. ADR was founded by chief executive Dr. Don Catlin, founder of the UCLA Olympic Analytical Laboratory.

Catlin, at the 2005 Jockey Club Round Table conference, announced he was doing work for the equine industry in the area of developing tests for drugs. The equine industry kicked in with an effort to initially raise about \$3 million.

“We are proud of this development,” Catlin said in a statement. “If implemented, this new test can close a major testing loophole and help eliminate the use of one of today’s most powerful doping products in equine sports.”

CERA, short for the brand name Mircera, is one of the newest members of the erythropoietin family of drugs referred to as biosimilars or erythrocyte stimulating agents. Such drugs are prohibited in human and equine competition and are said to enhance performance.

EPO, a common blood-doping agent, is detected through out-of-competition testing, meaning horses are tested on days other than race day. It is used in various states and also for horses that participate in the Breeders' Cup World Championships.

ADR officials said CERA was developed by the Swiss research-focused healthcare company Roche to help patients with certain kidney diseases and anemia. Like other blood-doping agents, it boosts red cells in the blood so they deliver more oxygen to muscles.

The drug lasts longer and requires fewer injections than EPO. Human competitors have recently tested positive for CERA, and it is widely believed the drug is being used as a performance-enhancer in equine sports, officials said.

ADR said its study was conducted on horses, one treated mature female Thoroughbred and 10 healthy Standardbred control horses, using two methods based on two different principles: a rapid, automated,

chemiluminescent immunometric or Immulite assay and an isoelectric focusing, double-blot test. Both tests detected CERA in the samples collected from the treated horse at different times after the administration of CERA, while the samples from the 10 control horses were negative. The Immulite test, intended as a screen, gives numerical results for a large number of samples very efficiently, while the IEF-DB test, intended as a confirmation test, provides a definitive visual pattern after a 2-3 day process.

“What is particularly satisfying and worth noting is that the inexpensive Immulite tests were sufficient to detect even small amounts of CERA in horses,” Dr. George Maylin, head of the Equine Drug Testing and Research Program at the College of Veterinary Medicine at Cornell University and a co-author of the report, said in a statement.

The announcement of the CERA test came in a peer-reviewed article published in the recently released August issue of the quarterly scientific journal *Comparative Exercise Physiology*. Others who participated in the development of the test and contributed to the article include Dr. Sabrina Benchaar, Sandra Neades, and Miranda Timmons of ADR, and Professor Kenneth McKeever of Rutgers University in New Jersey.

The EDRI and members of the equine community provided funding for the CERA research, officials said.
Source: The Bloodhorse

Good News Comes Out Of Keeneland Sale

The Keeneland November Breeding Stock Sale ended with relatively good news for the thoroughbred marketplace. The average broodmare price dropped just 6.9 percent, and the average weanling price dropped a comparable 7.1 percent.

This compares to 2008 when the average price of a broodmare dropped 54 percent, and the average price of a weanling dropped 41 percent.

Going into the November sale, I expected a double digit decline, something closer to 20 percent, thus, enabling me to call the single digit drops in average this year “relatively good” news.

I think this good news stems from governments, in general, and specifically from central banks around the world. I suspect the tidal wave of money pumped into national economies by central banks in an effort to avoid a worse world recession and possibly a depression keeps many assets afloat.

This may have helped the November horse market. It certainly helped an American stock market rise 50 percent from its March lows with very little good economic news.

There is some good economic news out there for the horse business. The number of foals produced in 2009 dropped sharply as did the number of mares bred in 2009. A reduction in the supply should be good for the market going forward.

In addition, stallion stations moved aggressively this fall to drop stud fees. However, most reductions in stud fees did not match the 40-plus percentage drop in the market.

On the negative side, the Thanksgiving holiday saw the economic woes of Dubai come to the front burner of world economic news. According to reports, government-backed businesses in Dubai are possibly \$90 billion in debt and unable to service their debt.

The Dubai commercial and residential expansion of the past decade could become the international symbol of this economic time. Persons familiar with the Dubai story will recall the islands built off shore in the shape of palms with luxury homes built on the fronds.

Some will wonder what this has to do with the thoroughbred business. The royal family of Dubai is the Maktoum family, and members of this family are the leading buyers of thoroughbreds internationally year after year.

One wonders with the economic difficulties of Dubai, will it cause the royal family to reduce their participation in the thoroughbred world?

WHO'S UP

In other news, Who's Up won the \$100,000 Generous Stakes at Hollywood Park in California. Bred in Florida by the congenial Andy Cant, a longtime Ocala horseman, Who's Up stalked the two-to-five favorite Bridgetown into the stretch.

He easily collared Bridgetown and pulled away to win by 1¾ lengths in the one-mile turf event for two-year-olds. Bridgetown, who ultimately finished fourth, ran second in the Breeders' Cup Juvenile Turf.

Sold at the Keeneland November sale as a weanling, Who's Up improved his record to two wins and a second in four starts with earnings of \$93,000.

Who's Up is by Graeme Hall, a son of Dehere, stands at Eugene and Laura Melnyk's Winding Oaks Farm in Ocala for \$5,000. He is the seconding-leading sire in Florida, and the sire of 11 stakes winners.

Other leading runners sired by Graeme Hall include Duke of Mischief and Graeme Six. Who's Up is the fifth stakes winner for Graeme Hall this year. *Source: Ocala.com*

Campbell Ok

Jockey Jesse Campbell, who was shaken up when thrown from Opening Show on the way to the track before the sixth race Saturday, wasn't injured seriously but didn't ride Sunday.

"He'll be fine," Derek Ducoing, Campbell's agent, said Sunday morning.

Campbell is expected back when racing resumes Thursday. *Source: New Orleans Racing News*

Sheriff's Farm Puts Inmates To Work Rescuing Racehorses

The five thoroughbreds were racehorses once, running gleaming in the sun, cheered by crowds. Older and injured now, they could have been doomed to slaughter - but they have found freedom in a jail.

At Plymouth County Correctional Facility, inmates will rehabilitate the onetime Suffolk Downs stars.

"It's an act of nurturing something," said Plymouth Sheriff Joseph McDonald Jr. "Many of them have never done that before."

The horses arrived at Plymouth County Sheriff's Farm - 90 acres of land - just four weeks ago. Many had physical injuries, and all were used to being confined in small stalls alone, emerging only to race.

Now, they are healing and learning to live at a slower pace, outside in the grass among their own kind.

The inmates have built a new stable and fenced nine acres of pasture. Eventually, several prisoners will feed, groom and walk the horses daily as part of the new Second Chances vocational rehabilitative program, the only one of its kind in Massachusetts and one of seven at correctional facilities around the country.

The farm bestows "that sense of responsibility that comes from taking care of something other than oneself," McDonald said.

The idea is to heal the thoroughbreds' physical and emotional scars so they can be adopted privately or begin second careers as show horses.

And the horses help rehabilitate the prisoner while the con rehabilitates the horse, the sheriff said.

The criteria for eligibility is strict: a criminal history of violence of any kind, drug distribution or restraining orders disqualifies inmates from the program. Eligible offenders are likely to have operated under the influence or committed other civil infractions, according to Capt. Dan Callahan, who trains the inmates.

The program is funded entirely by the Thoroughbred Retirement Foundation, and does not use any taxpayer dollars to sustain it, Callahan said. It is also sponsored by Suffolk Downs.

Callahan said the jail is designing a four-month certification program, which will not only teach the inmates about the animals, but prepare them for vocational employment upon their release.

Currently, there is just one inmate assigned to the horses. He has been working with the animals daily for the last month.

"This is a great program, both for the horses and for the guys," said the prisoner, who asked to be identified only as Timothy B. "I never saw myself doing this. It's peaceful here."

The idea pleases Ralph Whitney, who used to own racehorse Sing Me Back Home when they both were younger.

"I think it's just great," said Whitney, 70, of Whitman. "He'll get better care there than at Suffolk (Downs). It's the best thing for him." *Source Boston Herald.com*

Solid Start For Lebron

Jockey Victor Lebron, a newcomer this season to the Fair Grounds, rode two winners Saturday and had five victories, six second places and three thirds from his first 26 mounts.

Lebron, 25, from St. Croix, Virgin Islands, said he came to New Orleans to "try a new spot, open some new doors."

He said he's happy with how he has been received by horsemen.

“Most of the people, they just want to watch me first,” he said. “It’s gone pretty good. I can’t complain.”

Lebron also said that he likes riding on the Fair Grounds track. “It’s a track you’ve got to be smart about it,” he said. “It’s a long stretch. You can’t move too early.” *Source: New Orleans Racing News*

Churchill To Announce 'Significant' Summer Event

Churchill Downs Inc. said it plans to announce a “significant” summer event at the historic racing venue on Monday, the first major initiative of its new entertainment division.

The Louisville-based racing and gambling company did not say what the event would be in a press release about the announcement Sunday, but it said the event would have an economic impact in the “tens of millions.”

The entertainment division has been in the planning stages since January, when CEO Robert Evans described its creation amid a shuffling of corporate officers. Those changes put Steve Sexton in charge of the new effort and removed him as the executive vice president in charge of all four of Churchill’s racetracks, including being president of the Central Avenue track.

During Sexton’s tenure in charge of the racetrack, Churchill hosted major concerts by The Rolling Stones and The Police.

Churchill officials have offered few specifics until now about what the entertainment division would do. The only clues offered were that it would create entertainment events — both racing-related and concerts — at Churchill tracks and other sites. The division also is to have a team that would manage entertainment events and venues for other companies and sites.

Shortly after saying he would create the entertainment division, Evans said in a memorandum to employees that Sexton’s experience managing six Kentucky Derbys and Oaks, hosting two Breeders’ Cups and the concerts made him “uniquely qualified to take on this important new senior leadership role.”

The memo also said Evans hoped that the entertainment efforts would provide more money for purses at Churchill’s tracks, better use its fixed **assets**, add new customers for racing and boost profits.

Since the changes, Kevin Flanery was named racetrack president and Jim Gates, the general manager of the Churchill track during Sexton’s tenure, moved to the entertainment division. *Source: Courier Journal*

Passage Of Simulcast Bill Praised By Raynham Dog Track Patrons

News that Gov. Deval Patrick signed a simulcasting extension into law last week was music to the ears of patrons at Raynham-Taunton Greyhound Park.

Some, like Brockton resident John Williams, hope that the law to allow simulcasting to continue at the dog track is a sign that more gaming options could be on the way.

“I think it’s eventually going to happen,” the 59-year-old said. “You’re not going to stop gambling. If they want to travel to Connecticut, Atlantic City or Las Vegas, they’re going to gamble.”

Gary Temple, who manages the Raynham dog track, also hopes that slots could be on the way.

“Hopefully it is a bridge to bigger and better things,” he said. “I believe they’ll be voting in early January.”

In the meantime, the simulcasting extension, which passed both chambers of the state Legislature earlier this month, will help preserve jobs that would otherwise be lost once the voter-approved statewide ban on dog racing goes into effect Jan. 1, Temple said.

“People who’ve lost their jobs will be retrained and rehired,” he said. “It will save probably hundreds of jobs, but some people will still lose jobs from the end of live racing.”

Business at the track has been strong this month, Temple said.

Inside the facility last week, scores of patrons sat in front of television monitors watching simulcast thoroughbred and greyhound races from across the country, hoping to score big. For many, it’s a form of entertainment and a social activity.

“I’ve been coming here for years,” said Williams, who sat at a table littered with betting slips. “It’s my home.”

John Dunham of Dartmouth said he usually comes to the dog track about once a month. He approves of the simulcasting extension.

“I’m glad to see those people are not going to lose their jobs,” he said.

As he intently watched thoroughbred horses race across a television screen, Roslindale resident Robert MacNeil, a longtime patron, shared his thoughts.

“It’s good for jobs,” he said. “A lot of people come here. It’s a shame they did what they did because the dogs are just going to race some place else anyway.”

The simulcasting extension could throw a lifeline to Raynham-Taunton Greyhound Park by essentially converting it into a betting parlor once its days as a live racing venue are over. The legislation will permit simulcasting — which allows track patrons to place wagers on races held at other tracks and watch the contests on closed-circuit television — to continue at each of the four racetracks in Massachusetts until July 31, even on days when there are no live races held locally.

A ban on dog racing in Massachusetts will go into effect Jan. 1 after it was approved by voters in last year’s state election.

Passage of the bill allows the dog track to survive until expanded gaming bills are debated in the state Legislature next year. Track owner George Carney has long expressed a desire to have slot machines at his Raynham facility.

Opponents of expanded gaming argue that the financial benefits for the state wouldn't outweigh the potential social costs associated with gambling.

MacNeil has no doubt a slots parlor would be a hit in Raynham.

"Carney knows how to run an operation," he said.

Besides, he added, Massachusetts residents already travel out of state to play the slots.

"If a gambler wants to gamble, they're going to," he said. *Source: Taunton Daily Gazette*

Calder Horse Tests Positive For EHV-1

Calder Race Course has placed three barns under quarantine after a horse tested positive for equine herpesvirus (EHV-1) on Monday at the University of Florida College of Veterinary Medicine.

The horse was shipped from Calder to the clinic in Gainesville, Florida, on Sunday after exhibiting neurological symptoms. According to Daily Racing Form, Bill White trains the horse, whose identity has not been made public.

The quarantine bars horses from shipping in or out of the three barns at Calder for three weeks. Horses in the barns also will not be allowed to train with the rest of the Calder population. They will instead have access to the main track on dark days following general training hours and to the training track on race days, also after general training hours.

Another restriction will ban horses from shipping into Calder for two weeks, effective Monday. *Source: Thoroughbred Times*

Lamb Appointed Ky. Pari-Mutuel Racing Supervisor

Gregory Lamb, who for the past 18 years has been an auditor with the Colorado Division of Racing Events, has been selected to be the new Kentucky Supervisor of Pari-mutuel Wagering.

The Kentucky Horse Racing Commission (KHRC) filled the position, which was recommended by the Governor's Task Force of the Future of Horse Racing in Kentucky, on Monday. Created by statute, the position has been unfilled due to funding issues that were addressed by the special legislative session in June 2009.

"The Task Force created by Gov. Beshear gave us the direction we requested in addressing the integrity of horse racing in Kentucky by specifically naming this position as critical to elevating this area of oversight by the commission," KHRC Executive Director Lisa Underwood said. "I am confident in the ability of Greg to help raise the level of integrity of horse racing to meet the expectations of the wagering public."

Lamb will begin his new role on Tuesday. *Source: Thoroughbred Times*

N.Y. Officials Hope To Strengthen Abuse Laws In Light Of Paragallo Arrest

Officials monitoring Ernest Paragallo's Center Brook Farm, where 177 starved, diseased Thoroughbreds were discovered last April, are working with New York lawmakers to make sure such incidents are subject to more stringent penalties.

On August 6, Paragallo was indicted on 35 counts of misdemeanor cruelty to animals. He remains free on \$5,000 bail facing up to \$35,000 in fines—\$1,000 for each offense—and two years in jail, the maximum penalty allowable under law. A trial, barring an unexpected settlement, is expected to start next spring in Greene County Court.

Under current state law, equine abuse may only be treated as a misdemeanor while cruelty to domestic pets such as cats and dogs is considered a felony..

Paragallo is subject to the law at the time of his alleged offenses, but officials hope to prevent similar situations in the future by upgrading similar crimes to felony status.

“We've met with [New York State Senator Eric Adams (D-Brooklyn) who chairs the Senate's Racing and Wagering Committee] to get these laws toughened,” said Ron Perez of the Columbia-Greene Humane Society, which is responsible for oversight at Paragallo's farm in Climax, New York.

Republican Senator Roy J. McDonald and Assemblyman Tony Jordan, both of whom represent Saratoga County, have called for similar action.

Perez said that he and Jerry Bilinski, D.V.M., last visited Paragallo's farm in mid-October, where the 60-plus remaining horses are all in good shape. “There's four workers there now,” he said. “With this many horses things are a lot more manageable. They're getting all the hay and feed they need.”

Nursing horses back to health has cost the humane society more than \$80,000 in feed, medical supplies and veterinary expense. Much of the tab has been paid for through donations. New York Racing Association donated a considerable sum.

Perez said he hopes prosecutors will seek the maximum punishment allowable, including fines. “We'll be seeking restitution,” he said. *Source: Thoroughbred Times*

Gulotta Named To New Jersey Transition Team

Mike Gulotta, owner and operator of Deo Volente Farms, has been named to a 14-members transition team established to guide in New Jersey Gov.-elect Chris Christie on topics related to gaming, sports and entertainment.

Gulotta is the only horseracing representative -- of any breed -- selected to serve on the committee, which is chaired by Jon Hanson, chairman and founder of the Hampshire Real Estate Companies and the former chairman of the New Jersey Sports and Exposition Authority.

“I think this is a substantial vote of confidence by the Governor-elect, in terms of his interest in the racing industry,” said Gulotta. “(In the campaign) he did commit to a vibrant and competitive New Jersey racing industry, and I believe this is evidence of that commitment.”

The committee members come from all aspects of sports, entertainment and gaming, and include: Joseph Corbo, Jr., vice president and general counsel of Borgata Hotel Casino & Spa; Carole Hedinger, former acting executive director of the New Jersey Lottery; Mark Juliano, CEO of Trump Entertainment; Bob Mulcahy, former athletic director at Rutgers University; and Finn Wentworth, founder of YES Network and former CEO/COO of Yankeeets. *Source: USTA*

Hiles Re-Elected Kentucky HBPA President

Rick Hiles has been elected to a second term as president of the Kentucky Horsemen's Benevolent and Protective Association.

The Kentucky HBPA, in a Dec. 1 release, said the vote was taken the previous day and was unanimous. The board of directors elects the president of the organization.

The new board was seated in late November. Hiles was re-elected to the board in this year's membership-wide board election.

Hiles is the incumbent president and also served two terms in the 1990s.

"We have proactively addressed the (advance deposit wagering) issue to assure horsemen an equitable share of the revenue, and we will continue our efforts to pursue a slots initiative with the General Assembly," Hiles said in a statement.

Kentucky horsemen recently signed a three-year contract with Churchill Downs on wagering revenue and purses. In 2010, they likely will continue lobbying for video lottery terminals at the state's racetracks.

Hiles will continue as the Kentucky HBPA representative on the Kentucky Equine Drug Research Council.

In other election business, owner Frank Jones and trainer Dale Romans were elected as first and second vice president, respectively.. Since Hiles is president, first alternate David England will now serve as a director.

Committee appointments are as follows: Jones, Mike Bruder, and Ken McPeck (finance); and Ann Banks, Dr. Randy Sheen, and Pete Salmen (benevolence). Backstretch Committee members are William "Buff" Bradley and Dale Romans (Churchill Downs); Bill Connelly and England (Turfway Park); Mike Bruder and R.L. Williams (Ellis Park); and Dave Banks and R.C. Sturgeon (The Thoroughbred Center). *Source: Bloodhorse*

Report Offers Ways To Assist Maryland Racing

Maryland horse racing needs improved marketing, quality facilities, and better racing, according to a report released Dec. 1 by the Maryland Horse Industry Board.

The board developed the report—Maryland Horse Forum 2009—at the request of Gov. Martin O'Malley. It stemmed from an August meeting attended by more than 300 representatives of the state's horse industry.

The 55-page report also covers labor, zoning and land use, promoting and marketing the horse, legal matters, trails and public lands, infrastructure and competition venues, and unwanted horses. One of the racing-related recommendations is for the Maryland General Assembly to fund a University of Maryland study into the economic impact of the horse racing industry in the state.

“The Maryland horse industry makes up a large and important part of the state’s agricultural industry,” O’Malley said in a statement. “We recognize the importance of the horse sector and thank the Maryland Horse Industry Board, the Maryland Horse Council, and all of the forum participants their hard work in creating this report.

“I look forward to reviewing the recommendations and working with the sponsors and related state agencies to determine what is feasible to do in these tight budget times to advance the industry and our smart, green, and growing future.”

Maryland Agriculture Secretary Earl Hance said the report will “inform policy discussions and decisions for the benefit of the equine industry and help maintain Maryland’s rightful place as a world-renowned home for the horse industry.”

Forum attendees discussed many issues related to horse racing and devised four primary “solutions,” including improved marketing and promotion of Maryland racing; improving the quality of racing in the state; upgrading racetrack facilities; and encouraging the education and promotion of the health and welfare of horses.

The report acknowledges a “huge need for increased slots funds to tracks, but there are concerns over the control of the money and its ultimate usage.” It also calls for increased purses to keep Maryland competitive with other states.

Maryland voters last year approved a statewide referendum authorizing slot machines at five locations. Thus far, two licenses have been awarded, one at the Ocean Downs harness track on the Eastern Shore and another for a non-racing facility in northeast Maryland.

The legislation didn’t mandate slots at tracks. It remains to be seen whether Laurel Park in central Maryland will ever get slots, but overall, the horse racing industry could earn up to \$100 million a year in revenue when all five sites are operating.

The report suggests leaders in racing need to “enlist the assistance of Maryland government agencies and professional public relations firms to develop a unified, widespread, and effective marketing and promotional plan for Maryland racing, which must include the Maryland-bred program.”

It also states racetrack owners must reinvent their facilities and employ a “one-stop entertainment destination model” that uses the latest technology; educate spectators about equine health and welfare issues; and schedule a one-day forum to discuss issues because of the “diverse and unique challenges”

A release cites United States Department of Agriculture figures that show there are more than 87,000 horses in Maryland worth \$680 million on 20,200 farms. Assets held by the horse industry are valued at \$5.2 billion, with 40% of the horses used for racing. *Source: Bloodhorse*

Suit By Former Racing Services Owner Rejected

A federal judge has thrown out out a lawsuit by the former owner of a Fargo simulcast horse racing company who accused state and federal prosecutors and others of fabricating evidence.

Susan Bala's conviction for illegal gambling was overturned when an appeals court said federal prosecutors failed to interpret state law correctly. Bala claimed her constitutional rights were violated when she was indicted and later prosecuted.

U.S. District Judge Daniel Hovland ruled Nov. 30 that Bala failed to state a valid claim against Attorney General Wayne Stenehjem, former U.S. Attorney Drew Wrigley, former state racing commission leaders Paul Bowlinger and Howard Wrigley, and former RSI employee Michael Cichy.

"It completely refutes every claim against every party that she named in her frivolous lawsuit," Drew Wrigley said. "They got precisely what their lawsuit warranted: It got thrown out."

Bruce Schoenwald, Bala's lawyer, said he hadn't seen the 63-page order but likely would appeal.

"How can they take over all your property and put you in jail for no reason and there's no remedy for it?" Schoenwald said.

Bala, the founder of Racing Services Inc., was convicted in 2005 and sentenced to serve 27 months in prison in what prosecutors said was the state's largest illegal gambling case. A federal appeals court overturned the verdict and Bala was released from custody after serving about 17 months.

U.S. District Judge Ralph Erickson, who presided over the trial, refused to issue Bala a so-called certificate of innocence, a procedural step in suing the government. The 8th Circuit upheld Erickson's ruling, saying its decision to overturn her conviction was not based on her innocence.

Bala claimed the conspiracy started when Cichy made a false report about an illegal gambling site and the other defendants "ran with it." There's no evidence to back up that claim, Hovland said.

"The court finds that the plaintiffs rely on mere speculation to support the allegation that a conspiracy existed between Cichy and the other defendants to ruin the gambling success of RSI," Hovland said in Monday's order.

Cichy's lawyer, Sarah Andrews Herman, said Hovland's ruling points out that Bala admitted to the 8th U.S. Circuit Court of Appeals that the alleged illegal site "at worst" violated the racing commission's licensing regulations.

"That's what my client reported them for," Herman said. "It's very frustrating for me that he had to pay to defend himself for that." *Source: Bloodhorse*

Simulcast Bill Passes State Senate

The state Senate has passed a bill that allows the state's two greyhound racetracks to remain open to take wagers on simulcast races held out of state after the ban on live racing goes into effect Jan. 1.

The House last week approved a bill extending simulcasting at the greyhound tracks to July 31. Hundreds of jobs were on the line as simulcasting also had been slated to stop the end of the calendar year, officials said.

The Wonderland Greyhound Park has already ceased live racing. The Raynham Park track has remained open. They will essentially become off-track betting parlors.

"Quite simply, this is a jobs bill," said Sen. Marc R. Pacheco, D-Taunton. "This bill ensures that the greyhound tracks will continue to employ hundreds of people who otherwise would have found themselves jobless in the middle of the worst economic crisis since the Great Depression." Pacheco had been looking for ways to lessen the impact the looming elimination of live greyhound racing will have on track workers since the ban was narrowly approved by the statewide electorate in 2008.

Meanwhile, Plainridge Racecourse in Plainville and other tracks hope to get approval for slot machines, which the Legislature is expected to tackle next year.

The fourth track in the state is Suffolk Downs in East Boston, and has horse racing and simulcasting as Plainridge does.

"Over 1,066 families in Massachusetts make their livings working in the racing industry. Ideally, I would have liked to have seen a temporary live racing extension that would have kept all of these people employed until the economy turned around and job market improved," Pacheco said. "The simulcast extension that was approved by the Senate, however, is a good compromise that will still save a large portion of those jobs. It's safe to say that the holiday season will be a little brighter for hundreds of families statewide as a result of this bill."

Source: Sun Chronicle

Racing's Financial Crunch

Transparency is not a concept embraced by the Middle Eastern monarchs, so the deep bruising of global financial markets that followed last week's news that Dubai World, the principal corporate entity of the emirate's government, would be restructured and creditors were asked to accept a six-month deferral of payment, came as a shock that rippled bloodily through Asia, Europe and finally, after a brief delay for the observation of Thanksgiving, the United States.

While Sheikh Mohammed bin Rashid al Maktoum and his family, known in the racing world as Godolphin, Darley and Shadwell -- which are no more easily separated than Dubai Holdings, Dubai Ports World and Nakheel Development -- were unsuccessfully balancing the emirate's checkbook, trainer Saeed bin Suroor was spending the Thanksgiving holiday weekend in New York, where Flashing won the Gazelle Handicap and Sarah Louise took the Top Flight at odds of 2-5 at Aqueduct. Every little bit helps these days. The Dubai racing machine conducted business as usual over the weekend, but recent events raise questions concerning the sustainability of a global racing juggernaut that, despite its size and scope, is almost certainly a losing proposition.

In Kentucky, the absence of Maktoum family representatives at the recent dispersal of Overbrook Farm's glitzy bloodstock inventory was suddenly explained while those who do the family's bidding in the U.S. toed the line and expressed no concern for the future. In Europe and Asia, while financial stocks plunged, leaders of the racing community were less guarded in their alarmed.

"It is impossible to underestimate [Sheikh Mohammed's] influence on British racing. He has transformed the landscape of the sport," Jon Ryan, director of communications at the British Horseracing Authority, told the Wall Street Journal. "To own and breed on the scale that he does is a pretty extraordinary commitment and now an integral part of racing in this country. If he wasn't there he would be hugely missed."

Sheikh Mohammed's racing empire and those in the names of other family members extend beyond the United States and Britain to Ireland, Japan and Australia's, where recent acquisitions have made him the most powerful

figure in nation's country's racing industry. Darley and Shadwell's international holdings, separated from Godolphin in name only, are also vast and no less typified by excess.

The Maktoums have made racing in Europe their own and are the spinal column of breeding in England and Ireland. They own farms in Kentucky, the elegant Greentree training facility adjacent to Saratoga Race Course and private stables in Saratoga Springs formerly owned by Virginia Kraft Payson. They have enriched many, from those hired in the racing operation to owners of young horses they have purchased after little more than a flashy maiden win on the right stage. They have built lavish racetracks in a place where gambling is against Islamic law and pick up the tab for purses at the Dubai Racing Carnival and World Cup, the world's richest race.

A business plan based upon indiscriminate use of endless resources is obviously flawed and the Maktoums' development of Dubai appears to be based upon the same model as they have used in the family racing enterprises.

Excess qualifies as the Maktoum family's mantra. Man-made islands off the Dubai coast, one the site of a hotel built in the shape of a soaring sail the world's only six-star hotel -- are visible from space. What will be the world's tallest building is under construction on sands of the arid city-state where unoccupied luxury condominiums frame an indoor ski resort and the new, beyond-lavish Meydan racetrack perhaps best represent the rulers' tenuous grasp of fiscal reality. In comparison the development of Dubai makes the ruling family's countless multi-million-dollar acquisitions of promising if eventually failed and forgotten racehorses almost insignificant. Less visible in the West than the family thoroughbred racing enterprises is an expansive, expensive and at times shadowy camel racing operation.

While published reports of non-Arab workers relocated to Dubai abandoning luxury automobiles at the airport and fleeing the country while huge construction projects came to a halt raised concerns about the emirate's economic stability, Sheikh Mo has downplayed the severity of the debt crisis. At the opening of the city's new public transport system in September, he said "I assure you we are all right" and, until last week's announcement, insisted that Dubai would meet its debt obligations.

Credit agencies have lowered Dubai's ratings and the Maktoum family awaits a decision on a bailout from their far more conservative brethren in Abu Dhabi, the wealthiest and most oil-rich of the United Arab Emirates. Under any circumstance, there will be imposed belt tightening and since there is no apparent disconnect between the family's real estate development and racing enterprises it may be felt first in the world of racing. The leaders of Abu Dhabi will almost certainly seek concessions under terms of a bailout. No elaborate racetracks exist in Abu Dhabi, but much oil, the lack of which inspired the development of Dubai in accordance with Sheikh Mo's expansive if imprudent vision.

The developments in Dubai, seen by some in the financial world as the just deserts of wretched and arrogant excess, will make racing people very queasy in Lexington, Newmarket, Tokyo, Dublin and Sydney while playing out on the world's ever-nervous financial stage.

What happens if the Maktoums stops buying horses? Sell valuable real estate in depressed markets? Sell bloodstock? Reduce the number of horses they breed? Stop breeding altogether? What happens in the racing world if the current rulers of Dubai are deposed?

All of this ranges from unavoidable to plausible in light of last week's news.

Paul Maidment, of Forbes.com, writes in an analysis of the Maktoum family crisis:

"Abu Dhabi has little choice but to continue to bail out Dubai. A financial collapse of the emirate would make it unlikely that Sheikh Mohammed or Sheikh Hamdan could remain in power as the government and the ruling family's management of Dubai Inc. are so closely intertwined. That could be politically unsettling for the region as many of the states are likely to be tarred with the same bush by investors as Dubai. Following the restructuring announcement, credit default swap rate on Dubai debts rose by more than 100 basis points, taking it to 434 points, comparable to the level that Iceland incurred at the height of its crisis.

"By continuing to underwrite Dubai, Abu Dhabi will be able to impose strict conditions on the emirate and to rein in the Dubai ruling family's autonomy. That low-key approach to political realignment with, no doubt, an eventual succession to power of an Abu Dhabi friendly member of the al-Maktoum family, would fit better with the Gulf States' culture. It would, though, leave Dubai a lesser, chastened place, resorting to its old role as a regional entrepot, with its ambitions as a world city left in the sand."

The thing that made the racing enterprises headed by the various members of the Maktoum family unique -- the backing of a government -- may be a luxury no longer affordable, at least at the otherworldly level to which the international racing world has become accustomed if not dependent.

What happens if the Maktoums are no longer the 800-pound gorilla in every country in which racing is conducted?

It may not be long before the answer becomes apparent. *Source: ESPN Horse Racing*

Crowd Shows Zenyatta Some Love

Zenyatta, the most popular horse in California, was sent into retirement on Sunday at Hollywood Park with a ceremony that featured the one thing her adoring fans wanted more than anything else - an appearance by the 5-year-old undefeated mare herself.

The ceremony, held between the seventh and eighth races on a program highlighted by the Grade 1 Hollywood Derby, included comments from Gov. Arnold Schwarzenegger, whose speech was largely drowned out by boos from the ontrack crowd of 9,814; owners Jerry and Ann Moss; and jockey Mike Smith. The event was hosted by TVG commentator Ken Rudolph.

Moss, during brief comments, praised Zenyatta and trainer John Shirreffs. Shirreffs guided her through her 14-race campaign highlighted by an historic win in the Breeders' Cup Classic at Santa Anita on Nov. 7.

"I can't say enough about her trainer," Moss said. "We're humbled by the event and our association with this great racehorse."

Moss and his wife received a warm ovation when they walked out of a tunnel toward the winner's circle. During a brief comment, Ann Moss said that Zenyatta "made the impossible possible. Thank you, thank you 14 times."

The adoring crowd was gathered five or six deep around the expansive winner's circle. The box seat area, which is often deserted on racedays, was full for a change. The crowd was a gain of 12 percent over the corresponding day in 2008.

While the crowd responded warmly to the people behind Zenyatta, they saved their loudest cheers for the mare. When a replay of the Breeders' Cup Classic was shown, the crowd reacted so enthusiastically that the stretch run commentary was drowned out.

A few moments later, Zenyatta herself, ridden by regular exercise rider Steve Willard, jogged down the stretch past most of the crowd and back toward the winner's circle where Smith climbed aboard once more to end the ceremony.

Zenyatta will remain at Shirreffs's barn at Hollywood Park in coming weeks. There is even talk of another retirement ceremony at Santa Anita later this month. When she does leave to be a broodmare in Kentucky, her absence will leave a void in California racing and in the Shirreffs team. Her final days at the barn have become especially poignant.

"She always lifted the barn into a good mood," said Michelle Jensen, Shirreffs's assistant. "We were part of her family and she was part of our family." *Source: ESPN Horse Racing*

Schwarzenegger: Racing Needs Help

California Gov. Arnold Schwarzenegger said on Sunday that he is willing to provide financial aid to the state's ailing racing industry if an appropriate offer reaches his desk before he leaves office in January 2011.

Speaking after appearing in a winner's circle ceremony at Hollywood Park in honor of the undefeated champion mare Zenyatta, Schwarzenegger was not specific about what sort of ideas he would accept, but did say he was not supportive of slot machines.

"The horse racing business is struggling," he said. "We've have to find a way to generate significant finances.

"I want to do it before I leave office. We have tried endless amounts of different ideas and they haven't worked out. We're trying to find a solution, and we'll continue to try to find a solution.

"Someone will come forward with some [ideas]," said Schwarzenegger.

Regarding slot machines, Schwarzenegger said that California residents "have shown they despise urban gaming."

California's Native American casinos, which offer slot machines and some table games, are largely based outside major metropolitan areas. There are, however, numerous card clubs in urban areas.

Racetrack proponents in California have wanted to install slot machines at racetracks to compete with states such as Delaware, Louisiana, Pennsylvania, and New Mexico, which have seen purses rise from slot machine revenue. A 2004 referendum that would have allowed slot machines at California's racetracks was soundly defeated by voters.

Racing supporters may have a difficult time gaining legislative support in 2010. The state of California faces a budget shortfall of more than \$22 billion, and legislation that would enhance revenue for the sport at the expense of revenue for the state government is unlikely to pass.

Southern California's racetracks have had a difficult year, with racing dates reduced at some meetings because of lower handle brought on by a poor economy. The unemployment rate in California is 12 percent, according to published reports.

Privately, some racing officials say they have been frustrated at trying to reach the governor with ideas to aid racing.

While many people involved in the sport are angered that the governor's office has not helped their quest to install slot machines, Schwarzenegger has signed legislation in recent years increasing the takeout on exotic wagers to offset workers' compensation costs, allowed an expansion of satellite wagering to card clubs and restaurants, and, earlier this year, redirected money to the breeder's association to boost purses for statebreds who win maiden special weight races.

Schwarzenegger was at Hollywood Park on Sunday in support of Jerry and Ann Moss, who own Zenyatta. Jerry Moss later said that he and Schwarzenegger have been acquainted for years through the Special Olympics.

The governor was at the racetrack for a little less than an hour, arriving just before the ceremony that honored the popular mare.

"Just the fact that he came out shows there are people in racing that are close to him," said Hollywood Park's president, Jack Liebau. "We were pleased that he came out."

When Schwarzenegger was invited into the winner's circle to speak, most of his comments were drowned out by boos from the crowd of more than 9,800.

After the ceremony, he praised Zenyatta's achievements, saying, "It's terrific to celebrate a great horse. It's not that easy to win a bunch of races and not easy to win the big races. It takes a really special performance.

"I'm not an expert on horse racing as I am for weightlifting. It's very rare for the girl to beat the boys. This is an example of how they can be better." *Source: Daily Racing Form*

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