



# RCI BULLETIN

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### **A look inside the thoroughbred world**

Tune in to “Thoroughbred” in its national broadcast premiere at 8 p.m. (7 p.m. CST) Monday on KET during TeleFund 2010. It's a wide view — almost Thoroughbred Racing 101 — of the world of tracks and horse farms.

The **film** starts at the barns, or backside, of Aqueduct Racetrack in Jamaica, N.Y. Next is a visit to Three Chimneys Farm in Woodford County, Ky., where Preakness- and Belmont-winner Point Given is bred to a mare named Cerise. There is a trip to Dubai to cover the Arabian heritage of the thoroughbred, then back to Kentucky for Keeneland's September yearling sale and the 2009 Kentucky Derby.

It ends where it all begins, with the birth — and unknown potential — of Cerise's foal.

The director was Academy Award-winner Paul Wagner, who grew up in Louisville.

*Source: Louisville Herald.*

### **Social Studies: How the Changing Culture has Caused Horse Racing to Fall**

All industries are challenged by circumstances that affect business negatively. It's the job of their leaders to find ways to overcome them. Yet, sometimes, a situation changes so much that no matter how hard people work or how smartly they plan, there's not much to be done that can turn a failing enterprise into one with a future.

A trite example of an industry that is disappearing quickly by little fault of its own is the newspaper trade. Advancing technology is making the delivery of information on paper obsolete, just as it is eradicating that portion of the music industry built on record sales. The current generation may be witnessing the extinction of typewriters and fax machines, telephones and Kodachrome. In less than a decade, the majority of cars will be powered by a combustible energy source that is other than gas, transforming an industry, sustained for a century on an unwavering premise, into one that relies on a new dynamic.

Horse racing is often faulted for managing its affairs poorly, and the number of reasons why the sport underperforms is exhaustive, mostly accurate and blameworthy. Nevertheless, the sport's current troubles may be more the result of an evolving society that is headed in an opposite direction than the foibles of incompetents. Like all things that persist for an extended time on the reliance that the public will like it, horse

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DAN HARTMAN  
Colorado  
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Secretary/Treasurer

racing's demise has been influenced by dozens of changes in the culture.

To the following list, one could add how the elimination of unattainable luxuries has destroyed a guardian class, ruined the value of exclusion and made everything banal. In addition, there's no doubt that a suffocating preoccupation with political correctness and a widening sensitivity to animal rights have caused agita with the heart of the sport. But here are three changes, less burdened by theory and easier to comprehend, that should help make the point adequately.

*The USA is no longer a nation where the horse is important.* The general population was aware of the horse on a daily basis until the first decade of the last century. The memory of horses in the city streets, making deliveries and transporting people via wagons lingered with some people through the 1960s. After that date, only people living a rural life came in contact with them. As our society shifted completely away from being agriculturally-based in the last half of the 1900s, the connection between man and the horse widened further.

Dick Downey, the author of [thedowneyprofile.com](http://thedowneyprofile.com), grew up on a farm. He said, "In lockstep with the decline of the popularity of horse racing, we have seen the rise of NASCAR. Everyone has a car, and very few of us have a horse or any personal memory of a horse. The connection between these phenomena is not coincidental, in my opinion." Downey also suggested that it is not coincidental that most of the top jockeys hail from Latin America or Cajun country, societies in which the horse was an everyday presence. Accordingly, many of the top trainers grew up on farms or ranches.

The attitude of people toward horses is more embracing in places such as Kentucky and Saratoga Springs, where the animal is seen, appreciated and still contributes to commerce. Where the horse is not valued the same, and with the track emptied of fans who now participate remotely, the sport has deteriorated into a mere gambling exercise. As a gambling alternative to casino games and slot machines, it appeals to a smaller audience.

*Pari-mutuel gambling is not the Big Tax Daddy it was.* When government could no longer resist tapping the public's insatiable appetite for gambling, it legalized lotteries. In 1964, the New Hampshire Sweepstakes became the first government-sanctioned lottery in the 20th century. In 1978, New Jersey became the second state to legalize casinos as Atlantic City came to compete as an East Coast Las Vegas. In 1988, the Indiana Gaming Regulatory Act legalized tribal gaming operations.

Today, there are lotteries in 42 states, the District of Columbia, Puerto Rico and the Virgin Islands. Forty-eight states have legalized gambling of some sort. According to the American Gaming Association, commercial casinos control 43 percent of the market, lotteries control 28 percent, Indian gaming operations 17 percent and pari-mutuel gambling a measly six percent. Horse racing's \$13 billion handle, a portion of which is sheltered from taxation, is a pittance compared to what people are risking elsewhere.

All these alternative gambling opportunities put a simple principle in play - they take a little money from a lot of people often. In comparison, horse racing has placed an emphasis on milking each player as much as it can to attain industry growth. Regardless of which strategy is right, there's no doubt that the landscape has changed in terms of where and how people gamble. In turn, the sport no longer can argue its value as a big tax revenue producing enterprise to the states. In Florida alone, for example, total state revenues for pari-mutuels fell from \$144.7 million in 1989 to \$33.9 million in 2008, a reduction of 76.6 percent.

*Studios endeavors will struggle in a sound bite society.* When Time Inc. launched People Weekly on newsstands in 1974, the world was shocked that a magazine would trivialize its topics by reporting them in short takes. In the convening decades, America's interest in reading long-form articles has dwindled to a trickle.

Impatience has set in, attention spans have shortened. In short, the concept of fast no longer exists. Even the fastest of functions occur too slowly.

People no longer spend more than two or three minutes with a single topic. Readership falls off drastically after 250 words are consumed. The nation has regressed from being a society that advertising genius David Ogilvy believed to be disinterested in headlines that were shorter than seven words to one that software developer Joel Spolsky says doesn't want to read. Twitter.com – the fastest growing Internet social media site – requires its contributors to communicate in 140 characters.

Within this milieu, how, then, can horse racing, which requires learning, attention to detail, patience and study, be expected to attract new followers? Unless the sport begins changing to a pastime that anyone can enjoy from one which is the playground of learned folks, it is pushing a ball up the hill like the futile laborer Sisyphus.

*Source: Horseracing Insider.*

### **Kentucky House Passes Bill Taxing Online and Phone Horse Racing Wagers**

Despite an ongoing court battle to rid the state of 141 internet gambling sites, Kentucky's House passed a bill taxing online and phone "advanced deposit wagers" on horse racing by an 85-8 margin. Now, the measure will be discussed in the Kentucky Senate.

Sites like TwinSpires.com, which is owned by the parent company of the Churchill Downs racetrack, operate legally in the state and allow residents to wager on the ponies online and over the phone. On Friday, Kentucky House Bill 368 passed by a 10:1 margin after Democratic Speaker Pro Tem Larry Clark brought the legislation to life. According to an article that appeared on Friday in the Louisville Courier-Journal newspaper, Clark asserts that up to \$400,000 per year could be pulled down as a result of taxing online and phone bets just 0.5%.

One-third of the tax would go to the Kentucky Horse Racing Commission, one-third would go to the track the bet was placed with, and the final portion would supplement the track's cash prizes. Clark told the Louisville media outlet, "I think that it's a way for us to advance the tracks as far as adding more purse money... so I think it's something the Senate would look at. They talked about last session, when they did not want to do slots, finding more revenue for (tracks). This is one avenue that would find more revenue for them."

The Commonwealth of Kentucky is two months away from hosting the annual Kentucky Derby at Churchill Downs in Louisville. The "Fastest Two Minutes in Sports" plays out on the first Saturday in May every year and attracts celebrities and high rollers from around the world. In the past, online poker rooms like UB.com have held promotions in conjunction with the gala.

TwinSpires.com caps online and phone bets at \$2,500 per transaction and a minimum deposit of \$25 is required. The site has a mailing address in Kentucky, but is licensed in Oregon. Last year, the Kentucky legislature ultimately failed to approve a similar measure, which would have taxed internet and phone bets at a rate of 3.5%, or seven times the amount of the current version of the bill.

The Kentucky Justice and Public Safety Cabinet, led by J. Michael Brown, has been on an 18-month witch hunt against the owners of 141 internet gambling domain names, including those belonging to industry giants PokerStars and Full Tilt Poker. In September 2008, the State seized the rights to the domain names and sought their forfeiture before members of the internet gambling industry stepped in. The Interactive Media Entertainment and Gaming Association (iMEGA) has led the charge on behalf of the 141 sites in jeopardy.

In October 2009, lawyers representing iMEGA, the Interactive Gaming Council (IGC), and several of the sites at risk pleaded their case in front of the Kentucky Supreme Court. A ruling cannot be handed down until March 18th at the earliest. Other possible release dates for the Supreme Court's verdict are April 22nd, May 20th, June 17th, August 26th, September 23rd, October 21st, November 18th, and December 16th.

The Commonwealth charged that the 141 domains constituted "gambling devices," a term that is traditionally reserved for physical objects like slot machines and roulette wheels that you'd find in an illegal underground casino. Judge Thomas Wingate upheld the State's actions in an October 2008 ruling before the Kentucky Court of Appeals overturned it by a two-to-one margin in January 2009. During October's Supreme Court hearing, State officials repeatedly noted that Kentucky's legislature had not yet acted on the legality of internet gambling outside of horse racing.

The Courier-Journal added that Illinois and Virginia had taken similar approaches to taxing online wagers on horse racing.

*Source: POKER NEWS DAILY*

### **As a Derby Favorite Soars, His Owner Stumbles**

Ahmed Zayat was the nation's leading thoroughbred owner two years ago, and many of his 200-plus horses frequently visit the winner's circle in the nation's biggest races. In fact, one of his colts, Eskendereya, is the early favorite to win the Kentucky Derby after running away with the \$250,000 Fountain of Youth Stakes in Florida last Saturday.

But even as his horses have excelled on the track, Zayat has struggled to keep his empire afloat, becoming entangled in legal and financial troubles. He perhaps has also run afoul of racing officials because of a relationship with convicted bookmakers.

In a lawsuit filed in December, Fifth Third Bank asserted that Zayat had defaulted on \$34 million in loans. Zayat countersued, saying that Fifth Third's officers employed "misleading, deceptive, and predatory practices."

This month, he filed for bankruptcy protection for his Zayat Stables.

He said that he always intended to pay back the money but that Fifth Third did not honor a promise to restructure the loan.

"They lied to me and put me close to financial ruin," said Zayat, who lives in Teaneck, N.J. "I'm trying to reorganize until the market corrects itself, and they are trying to put me out of business. But I'm not going to go away."

Lawyers for Fifth Third declined to comment.

Zayat's bankruptcy filings, as well as his public comments about the case, have also demonstrated his flamboyant, passionate and competitive nature.

A self-described entrepreneur, Zayat built a beer distributorship, Al Ahram Beverages Company, in Egypt, his home country. In 2002, Heineken bought the company for \$280 million. Zayat remained chairman of the company until 2007, but by then he had become among North America's biggest spenders at horse auctions.

Zayat bought his first horses in 2005. In 2006, he paid \$4.6 million for a yearling he named Maimonides, after the medieval Jewish philosopher Moses Maimonides, with the hope of promoting peace among Arabs and Jews, he said.

Soon Zayat's horses were winning some of the most prestigious races in the United States. In 2008, Zayat Stables won nearly \$6.9 million to lead all American thoroughbred owners in earnings, and in 2009, he campaigned Pioneerof the Nile, the runner-up in the Kentucky Derby.

Last year, Zayat continued to spend at auctions even as his financial troubles grew, paying \$24.5 million for 77 horses, according to BloodHorse.com.

Among the money Zayat says he is owed is \$155,000 he lent to Michael Jelinsky on Nov. 27, 2006, and \$450,000 he lent to Jeffrey Jelinsky on Sept. 27, 2007.

Last May, the Jelinsky brothers pleaded guilty to illegal bookmaking in Las Vegas. In the federal plea agreement, the brothers said they had operated an illegal gambling business out of Nevada in 2006 and 2007. Michael Jelinsky was sentenced to 15 months in prison, and Jeffrey received 21 months; together they forfeited nearly \$5 million seized by authorities.

Zayat freely acknowledges that he is a big bettor, but he says that the \$605,000 is not owed to him from wagering. He said he had lent money to the Jelinksys because he had known their father. Zayat said one brother needed the money because he was going through a divorce and the other was having financial problems.

"I was trying to help them out," Zayat said.

Beyond being out \$605,000 from the two loans, Zayat could be in violation of racing regulations. For example, in New York and California, two jurisdictions where Zayat frequently runs his horses, rules prohibit licensed owners, trainers and racetrack personnel from associating with convicted felons or known bookmakers.

Neither New York nor California racing officials said they were investigating Zayat's association with the Jelinsky brothers.

The Jelinskys, according to the plea agreement, accepted wagers from bettors across the nation — including many who bet substantial amounts. The Jelinskys would then either hold the bets themselves, or hedge their risk by placing them through off-shore accounts or at the sports books at the Palms and Poker Palace casinos in Las Vegas.

Among the money confiscated by federal authorities from casino safe-deposit boxes and banking accounts held by the Jelinskys was \$1.5 million found in accounts of International Racing Group, a Netherlands Antilles-based betting shop that caters to high rollers. Off-shore betting operations like I.R.G., which is known as a rebate shop, offer 4 percent to 10 percent back on every dollar wagered, win or lose.

In January 2005, I.R.G. was named in an indictment brought by the Justice Department. Fourteen people, including three alleged associates of New York organized crime families, pleaded guilty to running an illegal gambling operation.

I.R.G. was one entity through which the group operated, according to the indictment. But no one from I.R.G. was charged.

Six months later, in June 2005, Youbet.com, a horse racing account wagering company, bought I.R.G. and its affiliated company It's All Good Buddy, for \$3 million. In October 2007, authorities raided Youbet's Los Angeles headquarters. By March 2008, I.R.G. was closed and Youbet said that it was cooperating with authorities.

Zayat said he had never been contacted by law enforcement authorities about the Jelinskys or their involvement with I.R.G.

He says his focus now is working out a settlement with Fifth Third so he can return his breeding and racing operation into a dominant, and money-making, operation.

"I have a very good plan to reorganize," he said. "What's going on is not anything different than what is happening in the world economy. The market will correct itself. I'm not going anywhere."

*Source: NY Times.*

### **Jockey sues over suspension**

A Toronto-based jockey is suing the Ontario Racing Commission and three of its stewards for \$3 million, claiming his reputation was maligned and his career ruined when he was suspended for one year – and subsequently cleared – on charges he deliberately held back a horse he rode from winning a race.

Simon Husbands, who filed the claim in December with the Ontario Superior Court of Justice, is seeking \$2 million for malicious prosecution and wrongful actions and \$1 million in punitive, exemplary and aggravated damages.

The allegations have not been tested in court.

It is very rare for a jockey to sue a racing commission. Husband's lawyer, Harvey Swartz, said he decided on the \$3 million figure because he believes the rider's career is "destroyed."

"To give a jockey a year's suspension, even if he was guilty on a first-time offence, is not heard of," Swartz said in an interview. "Absolutely no stewards would have done that."

ORC executive director John Blakney declined to comment on the case because it is before the courts.

But in a statement of defence, the ORC claims the stewards did not act with any malice in deciding to inquire into the race, but did so to uphold the integrity of racing in Ontario. They claim the one-year suspension was proportionate to what the stewards "in good faith" thought were Husbands' actions in allowing another horse to win.

Husbands is currently in New York attempting to ride at Aqueduct, but said he has had trouble securing mounts.

"If you go on the computer right now, that's all you see (about the charge)," he said. "Nobody knows that I'm clear of that."

Husbands was given the one-year suspension following a review of his ride aboard Bug's Boy in the third race on Nov. 30, 2008, at Woodbine. Bug's Boy, a 14-1 long-shot, finished second by a half length to 8-5 race favourite Come On Love, ridden by Husbands' brother Patrick, who was in a battle with fellow Woodbine-based jockey Jim McAleney for the most wins that season.

The stewards had some concerns after viewing the race and called in Simon Husbands for a hearing, which was attended by the horse's trainer, John Leblanc. While Leblanc said he was satisfied with the ride, the stewards contended that after reviewing the race videotape Husbands "did not persevere with his mount throughout the race or demonstrate an effort to ensure the best and fastest race of which his mount was capable."

A week later, they slapped Husbands with the suspension, though he quickly appealed.

The suspension was quashed by the ORC following a two-day hearing in March 2009. It was determined Husbands rode exactly as he was told by Leblanc, who testified he was "tickled pink" with the ride. He said he had specifically told the rider not to use the whip, as other riders did down the stretch, because the horse didn't like it.

According to the court documents, Husbands contends the ORC and stewards Richard Grubb, Fenton Platts and Gunnar Lindberg acted wilfully and harshly with the one-year suspension. He claims that in alleging he "stiffed" the horse and did not use due care, the stewards acted in bad faith toward him.

He is claiming he was "greatly injured in his credit, character and reputation and suffered severe mental anguish and pain."

Husbands claims that by the time of the ORC hearing in March, he was unable to deal with the Woodbine trainers, whom he said would not consider using him because of the suspension. He maintains that after the ORC overturned the suspension, he was unable to get mounts from trainers because they told him they could not employ a rider who "stiffs" horses.

In the court documents, the ORC claims its conduct has not caused Husbands to suffer any damages and denies that its conduct was "high-handed, malicious, capricious or arbitrary."

Husbands, a native of Barbados, has been riding full-time in Ontario since 2000. His mounts have totalled \$8.9 million, of which he receives 10 per cent. He won only two races in 2009 as his mounts earned \$124,553.

*Source: The Star.com*

## **Door still open for horse racing**

CEO wants to restart Kalispell track by next year

**Flathead County** has not completely ruled out horse racing at the fairgrounds, but the mantra remains: Show me the money.

“We’re not against horse racing, but it’s got to be feasible,” Interim Fair Manager Ted Dykstra Jr. said. “If it were even close to breaking even we’d be doing it.”

Flathead County gave up horse racing at the Northwest Montana Fair in 2006, citing a loss of \$10,000 per day of racing. The decision followed similar actions by other counties that could no longer afford to subsidize the popular sport.

Now that Missoula County has rekindled horse racing with a recent lease agreement with Montana Entertainment, there’s speculation the revival could benefit other fairs.

Ryan Sherman, executive director for the Montana Board of Horse Racing, said there hasn’t been any racing available in Western Montana since the Missoula and Kalispell races were abandoned, and that Missoula’s rekindled program could be the first step in reviving the circuit.

Sherman said he has had conversations through the years with Jay Scott when he was fair manager about the possibility of restarting racing here, and Sherman believes there’s an opportunity to do just that.

Eric Spector, president and chief executive officer of Montana Entertainment, said he wants to meet with Flathead County officials in advance of the 2010 fair and work out a lease agreement for horse racing here.

“There’s not enough money for purses this year, and we would want to get the track up to speed,” Spector said.

His company, which operates under the brand Montana Downs, owns and operates race tracks around the country. In Montana the company does live racing and is the exclusive operator for all off-track betting. A percentage of the off-track betting feeds the purses for live races, Spector said.

Montana historically had a healthy racing circuit that was a good economic boost for counties that hosted horse racing.

“Part of our mandate with the state of Montana, as a licensee for off-track betting, is to resurrect live racing,” Spector said. “Horse racing is an entertainment attraction, with a historic base and a fan base. If we could have racing back again” in the Flathead, it would generate more revenue in gate admission and food concessions.

Dykstra, who also serves on the Flathead County Fair Board, said the board remains open to further discussion about racing and proposals that would take the financial burden off the county. Jockey insurance, payments for race officials and the race purses themselves essentially were subsidized by property taxes and other events in years past.

“Our agenda is not to shut down racing,” Dykstra said. “I’m excited to open dialogue.”

Leasing the racetrack could be an option, he added.

“It’s a rental facility as much as the Expo Building or Trade Center,” he said.

In fact, the track at the Flathead County Fairgrounds could see more activity than ever this year. It’s the only track in the region available for training race horses on a year-round basis, Scott told the county commissioners just days before the Fair Board opted to not renew his contract.

“Kalispell will be the only track to train on, and we could have over 100 horses training here,” Scott said. “It would be a good revenue source.”

The All Breed Turf Club, which rents stables at the Kalispell fairgrounds, has continued to push for continued horse racing ever since the commissioners agreed to shut it down in late 2005.

“We’ve made a stand at just about every Fair Board meeting,” Turf Club Treasurer Ron Thibert said. “And I’ll keep doing it until three days after I die.”

*Source: Daily Inter Lake.*

## **CHRB, Jamgotchian Settle Longstanding Lawsuit**

The California Horse Racing Board and horse owner Jerry Jamgotchian have settled a lawsuit over a race in 2005 at Del Mar in which Jamgotchian alleged a steward forced him to run a horse against his will. The case against steward George Slender alleged that he had exceeded his authority by forcing Jamgotchian and trainer Mark Glatt to run John's Kinda Girl in the seventh race at Del Mar Aug. 14, 2005. The CHRB agreed to pay Jamgotchian \$35,000 to settle the lawsuit, according to Robert Miller, general counsel for the CHRB. The case was set to go trial following a state appellate court's decision last year in Jamgotchian's favor.

Miller said the CHRB, which was represented in court by Albert Y. Muratsuchi of the state attorney general's office, "felt it had a very winnable case" but chose not to pursue it because of the board's "limited financial resources."

"Jamgotchian offered to settle the case and it was a matter of weighing the cost of settling or going to trial," Miller explained. "It would have been very expensive for the board to go to trial."

Responding in an e-mail, Jamgotchian, a longtime CHRB critic and litigant against the board over a variety of issues, wrote: "The CHRB wasted over \$200,000 in state funds on this case which was caused solely by (former CHRB executive director) Ingrid Fermin and (former board chairman) Richard Shapiro's protection of their rogue steward, George Slender."

"Hopefully, all horseracing stewards will get this message and actually know the rules before taking action against any licensee," Jamgotchian added. "I'm pleased with yet another legal victory against the CHRB and hope that the CHRB will stop hiring stewards who believe that they are above the law and without oversight."

In the original lawsuit, filed in December 2005, Jamgotchian alleged that Slender had, in effect, taken control of his horse in order to prevent Jamgotchian from withdrawing John's Kinda Girl after the designated scratch time. He contended that Slender, the on-duty steward on the morning of the race, refused to grant the request and that he repeatedly threatened Jamgotchian and Glatt with suspension of their licenses if the horse didn't run.

Jamgotchian further alleged that Slender prevented removal of the horse from the Del Mar grounds by stationing a guard at the horse's stall and directing gate security to stop a horse van hired for the purpose into the barn area.

John's Kinda Girl, who was saddled by Glatt even though Jamgotchian had "fired" him prior to the race, ran seventh of eight at odds of 28-1 in the Del Mar race.

In a pre-trial motion, a Superior Court judge granted Slender immunity, finding that he was protected by a CHRB rule giving him discretion as a steward. But the decision was reversed by a three-judge panel of California Second Appellate District, which ruled that Slender did not have the right to take preemptive action against an owner who wants to scratch his horse even if the owner's request violates rules governing late withdrawals.

"The regulatory scheme allows the stewards to discipline any person responsible for the failure of any horse to start in a race when the starting was obligatory," the decision said. "The stewards may take disciplinary actions after the failure to run occurs, limited to fines, suspension, or exclusion of the person responsible. But the regulations do not authorize any preemptive action by the stewards to prevent the failure of a horse to start. There is no discretion vested in the stewards to bar an owner from retrieving his or her horse before a race is run."

Slender, a California steward for more than 30 years, was employed as an independent contractor and was sued individually, along with Glatt. Jamgotchian hinted that Slender would no longer be allowed to work California race meets as a result of the settlement.

Miller said Slender remains on the list of qualified stewards in the state, although he is not currently assigned.

*Source: Bloodhorse.*

## **The Brooks Brothers Strike Back Against Harness Racing**

Just a few weeks after harness racing made a sweeping and long-anticipated move against Jeffrey Brooks and his enormous stable of fast trotters and pacers, the Brooks family has struck back against its pursuers. Brooks has sued the United States Trotting Association and New York racing officials for \$108 million, alleging that the regulators and licensors have restrained his trade and violated his constitutional rights. It's a lawsuit that is likely to break either Brooks or the racing organizations they've named and thus alter the future of the sport no matter how it turns out.

The federal case *Brooks v. USTA* has been logged before U.S. District Judge Alvin Hellerstein, a veteran jurist of the Southern District of New York. He will need every moment of his experience on the bench to fully comprehend the dynamics at work between the parties and between the Brooks family and the rest of the industry. This lawsuit, like evidence of most disputes, represents just a tiny fraction of the larger story. Here's a guide to how the case has begun.

Regulators have reportedly been eyeing Brooks and his stable, Bulletproof Enterprises, for quite some time, allegedly dubious of the sudden dominance of the ownership group and its trainers, notably Josh Marks and Tracy Brainard. The latter have astounded many observers of the sport with their swift rise to the top of its training ranks despite virtually no experience. For example, although Brainard is trainer of record, many industry watchers believe it's actually Marks who trains the horses for Bulletproof. They've never been caught cheating-- let's be clear--but they are widely suspected. When the United States Harness Writers Association nominated its trainers of the year, for example, Brainard was not on the ballot despite dominating her peers.

This background makes paragraph 5 of the complaint noteworthy. The plaintiffs allege that they are "one of the largest and most successful harness racing operations in North America." No one in the industry disputes that. But there are a good many people in the sport who would welcome the pre-trial discovery that might emanate from this paragraph 5, including the under-oath depositions of both Marks and Brainard. How,

indeed, did Bulletproof become so successful that its horses in 2009 won twice as much as any other owner had ever won in the history of the sport? It's a question that spans the gulf between two contradictory principles-- "innocent until proven guilty" and "where there's smoke there's fire." Hopefully the trial will give us answers.

Jeffrey Brooks' brother is David Brooks, who also was a dominant owner before allegedly transferring his interests in his horses to his brother. When *David Brooks'* zany criminal trial began last month in another federal district in New York, federal prosecutors made an allegation that implicated *Jeffrey Brooks*, who now controls Bulletproof's horses. Those allegations spawned a rash of regulatory action. First, Canada's dominant harness racing jurisdiction, Ontario, suspended Jeffrey Brooks and ended his ability to enter his horses. Then it was the USTA and New York regulators and then regulators in Delaware and New Jersey and Pennsylvania as well. This complaint is the Brooks family's response to those suspensions.

And that makes paragraph 15 of the complaint a stand-out as well. It states: "In a classic case of guilt by association, *virtually* the entire rationale contained in [the license suspension] was the conduct of Jeffrey's brother, and former licensee, David Brooks, who is presently on trial for securities fraud..." (Emphasis added). Swallowed up in that word "virtually" is the in-court allegation by federal prosecutors that Jeffrey Brooks was recently seen on an undercover tape taking millions of dollars in cash in duffel bags out of a safety deposit box purportedly controlled by his brother; funds which were and are subject to a court stay. This revelation, which directly preceded the horse industry's suspensions, and which appears to be the direct cause of those suspensions, would seem to place Jeffrey in jeopardy of some sort of criminal or civil sanctions. Whether it justified the horse suspensions is a question the trial hopefully will answer.

For their first claim, the plaintiffs allege that officials of the New York State Racing and Wagering Board deprived them of their property, "without an opportunity to be heard at a meaningful time and a meaningful manner." This is the classic catch-all count which individuals may allege when the government (here, state officials) takes something away from them (here, the ability of their horses to race for money) without some sort of due process, usually in the form of a hearing. It will be interesting to learn whether and to what extent New York officials first alerted Bulletproof to the suspension.

The second claim in the complaint is against the USTA and Mike Tanner, in his individual capacity as executive director of the organization. The restraint-of-trade theory here is that by suspending Bulletproof's license, the USTA effectively excluded it from participating in the harness racing industry. Less plausibly, the plaintiffs argue that "interstate and international commerce" has suffered by the preclusion of the sport's leading owner. If you listen closely now you'll hear a roar of laughter from Bulletproof's competitors, who have been waiting for the day when the startlingly successful enterprise would be challenged by regulators. In their view, competition in the industry now has been enhanced by the *absence* of Bulletproof's nearly unbeatable horses.

We can't determine precisely how badly we've been damaged, Brooks alleges, but we are going to start at \$36 million and then treble it up to \$108 million, for starters. The third claim in the complaint, also against the USTA and Tanner and also for restraint of trade, offers the theory that Bulletproof has lost value in its "property" because its horses now cannot be sold or otherwise transferred. If Brooks wins this case and forces the USTA to pay anything remotely close to \$108 million--or if Brooks wins and precludes the USTA and regulators from enforcing their suspension powers--the fragile governance of the sport will likely crumble.

The fourth and final claim in the complaint alleges "tortious interference with business advantage" and marks the case's foreshadowed dark turn. Brooks alleges that the USTA is part of a conspiracy to benefit every other owner, trainer, driver and track operator in the sport by eliminating from competition the sport's most successful owner. The USTA kicked out Bulletproof, Brooks says, in order to make more purse money

available to other owners who, presumably, aren't the subject of a vendetta by the USTA. The circle is complete. An owner suspected of dubiously earning his way to a record now is saying he's being persecuted and punished for being so successful.

Which makes it easy to see why this could be a death struggle for all the parties. Clearly, Brooks's attorneys included New York racing officials in the complaint in order to be able to make its constitutional argument. And clearly those lawyers felt that New York's license denial was more vulnerable legally than either the Ontario license suspension which preceded it or the New Jersey license suspension which followed it.

The lawsuit raises important (and in many cases valid) questions about due process and the notice to be heard. It raises important questions about the sport's ability to govern itself and about burdens of proof and persuasion in extraordinary circumstances. It raises vital questions about who is going to take care of all those horses--hundreds and hundreds of them--caught in the middle. Hold onto those reins. It's going to be a bumpy ride.

*Source: The Atlantic.*

## ORC Hearing For Brooks Et Al.

The Ontario Racing Commission has received a request for a hearing from the parties involved in the suspension of Bulletproof Enterprises and the related individuals and stables.

ORC Manager of Racing Brent Stone told Trot Insider that a date for the hearing is still being finalized. On January 26, 2010, the Director of the Ontario Racing Commission (ORC) ordered the immediate suspension of the ORC licences of Terry, Jeffrey, Andrew and Victoria Brooks as well as stables Perfect World Enterprises, Bulletproof Enterprises, Goldfinger Enterprises, Seize the Day Industries, VAE LLC.

On Monday, the United States Trotting Association stated an appeal involving the Brooks and their stables is scheduled to be heard on Saturday, March 20, in Columbus, Ohio.

*Course: Quarter Racing Owners of Ontario.*

## Standardbred Canada - Testimony Continues In Brooks Trial

Testimony continued Wednesday, January 27 in the trial of David Brooks, a former standardbred owner accused of illegally using funds from publicly-traded DHB Industries to finance personal expenditures. The trial is taking place in federal district court in Central Islip, Long Island, New York.

According to reports from Newsday, Wednesday's testimony included that of Mark Burton, owner of a Wisconsin equine dietary supplement company, who testified that cheques from various manufacturing companies controlled by Brooks paid for tens of thousands of dollars in products for Brooks' stable of standardbreds. Horses formerly owned by Brooks are now owned by family members.

Newsday has reported that testimony was also heard regarding hundreds of thousands of dollars of jewelry purchased and worn by Brooks and alleged by federal prosecutors to have been bought illegally with DHB funds.

Brooks was arrested two years ago on charges that while the head of DHB Industries, he allegedly engaged in illegal practices for his personal gain.

Brooks' attorney, Kenneth Ravenell, continues to assert that his client is not guilty of the charges that led to him gaining nearly \$200 million by selling stock in 2004 and that he had a 1997 employment contract that allowed for personal expenditures at company expense.

Testimony is expected to continue today from retired four-star Army general Larry Ellis. Ellis earlier testified that although Brooks recruited him for the DHB board and he became president of the company, major financial decisions were still made by Brooks. Ellis said that because of problems with the company's operations, he eventually joined in a board decision to remove Brooks as chief executive.

*Source: Standardbred Canada.*

### **Ky. House passes account-wagering tax**

A bill that would add a 0.5 percent tax to all wagers made by Kentucky residents through account-wagering operations on Kentucky races was passed by the Kentucky House late Friday.

The bill, which would raise \$400,000 annually, according its sponsors, was passed by a vote of 85-8, with one abstention, and was sent to the Senate. The Kentucky racing industry has not acknowledged supporting or opposing the bill.

Under the bill, one-third of the money raised by the tax would go to the Kentucky Horse Racing Commission. The other two-thirds would be split by the racetrack that is running live at the time the wager was placed and the purse account at the live racetrack.

Kentucky racetracks currently have one of the lowest takeouts in the U.S., at 17 percent for win, place, and show bets, and 19 percent for all other bets. It is not clear if account-wagering operations would pay the tax directly or if the tax would be applied to the takeout through net-pool pricing. If applied to the takeout, Kentucky account-wagering customers with winning wagers would get slightly lower payouts on Kentucky races than winners in other states.

*Source; Daily Racing Form.*

### **HANCOCK'S CALL FOR A COMMISSIONER**

As Thoroughbred racing and breeding sails through stormy waters without either a captain or a rudder on the ship, I am reminded that calls for a commissioner, a league office, a central authority—call it what you will—are not particularly new. Arthur B. Hancock III, the owner of Stone Farm in Paris, Ky., has long advocated federal legislation that would create a structure for the sport of racing and address many of the problems that have plagued us for decades.

Following is the complete text of a speech Hancock gave nearly 20 years ago at the University of Arizona's Symposium on Racing in December 1991. What was true then is true today.—Ray Paulick

When uncertainty and troubling times swirled about him, Winston Churchill quoted a profound poem, “The Clattering Train”

Who is in charge of the clattering train,  
The carriages creak and couplets strain.  
And the pace is fast and points are near,  
But sleep has deadened the driver’s ear.  
And the whistle shrieks through the night in vain,  
For death is in charge of the clattering train.

We are all gathered together here in Arizona to speak out and do what we can to help our sport, Thoroughbred racing. I refer to our industry as a sport because in essence that is exactly what it is, just as football, baseball, and basketball are sports. We must never forget that the essence of racing is the competition of the horses and the romance, enthusiasm, and wagering that permeates that competition. A track that I love, Keeneland, has a slogan, “Racing as it was meant to be”. Ladies and Gentlemen, envision the first race long ago when several farmers or businessmen got together and bragged on the horses and to settle the issue, everyone lined up on Main Street for the big race on a Saturday afternoon and cheered for and bet on the horse of their choice. There was something deep within the people that was stirred by those horses roaring down Main Street, straining every nerve. Well, this was racing as it was meant to be, and if we neglect and forget the essence of our sport, we lose sight of what it is that enables us to survive as an industry and to compete with other forms of entertainment.

There was a time when we were the only game in town and if you didn’t go fishing, you’d go to the races. Today, there are many games in town. We have riverboat gambling, jai alai, dog racing, baseball, casino gambling, Indian gaming, football, soccer, tennis, golf, basketball and lotteries. How are we going to compete with these if we are not in control of our own destiny and if we are perceived by the masses of fans and potential fans as being dishonest and riddled by drugs and thugs? The answer is, we cannot compete. Something has to be done and done quickly or racing as it was meant to be and life as we have known it is over. We are riding a runaway train.

There are many important entities in our industry, but all of them put together are not as important to us as our fans, the bettors. Without them, we have nothing. With them we have everything. It is imperative that we present to them an image of absolute integrity. The question is how do we do this? In order to have a fair game, we have to have a level playing field. And we must be able to enforce the rules of the game with penalties. Also, the rules of the game must be the same everywhere, be it in Kentucky, California, New York or Texas. Since ours is a gambling game, it is absolutely necessary that everything about our game be completely above-board and strictly enforced. Perception counts as much as reality. Some may say, oh, a few drugs in minor doses is O.K. Well, by example, shall we make Little Johnny president of the Boy Scouts of America if he only snorts cocaine once or twice a year? No, we can’t because Johnny’s image is already tainted. By the same token, any kind of drug use on horses will convey the same perception and it will stop the people from wanting to watch the game as well as play the game. There is nothing glamorous or romantic about drugging horses, and when you lose the romance of racing, you lose the essence of racing, racing as it was meant to be.

So far, the integrity of racing has been dealt a lot of smaller blows but a life-threatening death blow has yet to occur. What do you think would have happened if Go For Wand had been running on Butazolidin or Lasix? I shudder to contemplate it, but someday the same thing will happen again and the horse will be on drugs. When

the press and animal rights activists finish with us, there won't be much left. This nightmare hangs above us every day in every race we run.

We might still say, even in the face of stories about drugging helpless horses, who have no say in the matter, that it is inhumane to race horses without drugs if they "need" them. Would you give your child drugs to make him perform better? Is it humane to send him out to perform when he is in pain? And what about the on-going deterioration of public opinion? Oh, but drugs are necessary so that races can be filled and so that the little man can stay in the business! Well, here is the answer to that question in black and white:

In 1960 horses made over 11 starts a year  
In 1970 they made 10.2 starts per year  
In 1980 horses made 9.2 starts per year  
In 1990 horses made 7.9 starts per year

This is a drop of 28% in only thirty years. By the year 2000, horses will make 6.3 starts a year if this continues – a remarkable drop of 43% from 1960 when drugs were not allowed.

So what have drugs done for racing? Have they helped the little man or any man for that matter? I'll tell you one thing that medication has done, is doing, and will continue to do. It is polluting the gene pool because horses are running on chemically induced ability instead of their natural ability. In another twenty years our children probably won't be able to breed a sound horse in America and buyers will be going to Newmarket or Sydney to purchase their yearlings. Remember, we are the only nation on the planet to allow permissive medication.

Ladies and Gentlemen, the way to help the little man or any owner is for breeders to breed them good, rugged, healthy, sound horses, and to do that we have to assess the true merit of horses without their performance having been enhanced by drugs. When we breeders sell someone something, we had better try our best to make sure that they have a chance to make money or they'll be gone forever.

In my opinion, we have a crisis in integrity and a crisis in an ailing industry. We are dying of a disease, corruption, and the high fever is caused by greed. Again, our game must be totally above-board before anyone can be truly interested in watching it or playing in it. To quote another statistic of the 91 horses running in the Breeders Cup this year, 76 of them were running on drugs. If it's allowed to be used, it will be abused. Perception counts more than reality.

So what do we do? How do we get together to solve our problems, Ladies and Gentlemen, because Thoroughbred racing and wagering now is involved in interstate commerce through simulcasting? Congress not only has a right but a duty to regulate it. This will happen! We must act now in a concentrated, cooperative effort to get a benign bill passed which will regulate horse racing in the way we want it regulated. Let's face it; it is already regulated, so let's get it regulated right, with no half measures. We must regulate ourselves before the Federal Government sees fit to do it for us.

Today, I propose that we join together in a united front and go to our congressmen and senators with an idea, and that idea is:

### **The Racing Act of 1992**

The points in this bill would be as follows:

I. All foals born in 1992 will run drug-free in 1994 as well as older horses. No medication will be administered to a horse within 48 hours of a race, and trace levels will be determined by the commissioner.

II. Anyone caught drugging a horse or fixing a race will be subject to specified penalties for specified offenses, and there will be rigid enforcement of racing's rules and regulations with certain knowledge of swift and sure punishment to be administered by the commissioner.

III. No convicted felon may hold a racing license.

IV. Uniform licensing will be implemented.

V. A racing commissioner or czar will be appointed by The Jockey Club, The TRA, The RCI, The TOBA, The HBPA, The Breeders' Cup, The American Horse Council, The National Turf Writers, and The Jockey's Guild. Each organization will have one vote and may nominate a candidate if they so choose.

Drug testing will be done according to the RCI's quality assurance program with the Commissioner assigning certain areas to certain labs as to efficiency and cost control. This bill will include regulation of other segments of the entire horse industry, such as Quarter horses and Standardbreds, with those segments electing their own respective commissioners, if they wish.

In closing, I am reminded of a parable. There was once a large fine house wherein lived a number of mice. There were plenty of scraps of fine cheeses, breads and cakes, and the mice flourished. Then the owner decided to get a cat and this cat wreaked havoc on the mice and their comfortable lifestyle. All of the mice convened in an effort to find a solution to this life-threatening problem, and they decided to put a bell on the cat. This was considered to be a wonderful idea and was hailed throughout mousedom. Then one of the mice said, "But who will be the one to put the bell on the cat?"

Ladies and Gentlemen, we need to give someone the authority to put the bell on the cat. We need a Commissioner of Racing. At the moment, we are all passengers on the clattering train. Let's get ourselves an engineer. We need desperately to create the perception of credibility, honesty and absolute integrity, and we need to rid ourselves once and for all of drugs and thugs. Once we do this, our future can be as bright and unlimited as that of any sport in this world, and our light will shine for all to see. Let's do it because it's right.

Thank you for listening, thank you for your consideration, good luck, good racing, and good day.

*Source: The Paulick Report.*

## **State's cure for horse racing calls for tripled purses, fewer racing days at Monmouth Park**

Monmouth Park's thoroughbred schedule would be cut nearly in half, but its purse structure would be tripled to an industry-leading \$1 million a day under a plan to save the state's ailing horse racing industry, according to two people directly involved in the discussions.

The plan, expected to be formally announced as early as next week, is aimed at drawing bigger fields and higher-quality horses to Monmouth Park during its spring/summer meet. That, in turn, would generate enough revenue to help offset a projected \$22 million loss this year for the state's horse racing industry.

The focus on Monmouth Park would mean the end of fall thoroughbred racing at the Meadowlands Racetrack in East Rutherford, said the two people, who asked not to be identified because they are not allowed to publicly discuss the plan. Harness racing would still be held at the Meadowlands.

Under the plan, Monmouth Park would conduct a 50-day meet with racing on Friday, Saturday and Sunday (plus the three Monday holidays) from May 22 through Labor Day, the two people said.

Monmouth would also offer daily purses of \$1 million, tops in North America. Last year, the track's daily purses averaged \$330,000 for 93 dates.

Saratoga Race Course in upstate New York, which races in late July and August and is the primary competition for Monmouth, offered \$729,100 in average daily purses last year, tops in the sport.

Monmouth would also hold a second, 21-date meet from mid-September until Nov. 23, during which it will offer daily purses of between \$250,000 and \$300,000, the two people said.

Monmouth now conducts a Wednesday through Sunday schedule from June through August.

Amending the thoroughbred racing schedule will require legislative approval since under law, the New Jersey Sports & Exposition Authority, which runs the Meadowlands and Monmouth Park, must race 141 days a year.

Proponents expect the Legislature to approve the plan, which has the backing of Gov. Chris Christie, the state's Thoroughbred Horsemen's Association and the sports authority, the two people said. Christie appointed a seven-member commission earlier this month to study gaming, sports and entertainment in the state. This plan is an outgrowth of that commission, they said.

Sports Authority President and CEO Dennis Robinson, commission member Bob Mulcahy and Monmouth vice president and general manager Bob Kulina all declined to comment on the proposal last night, as did Christie's office.

New Jersey's horse racing industry is expected to lose \$22 million, according to the governor's projections. However, that figure does not include \$9 million in wagering generated from the state-owned off-track wagering sites and phone betting.

The horsemen's association and sports authority are expected to meet soon to sign off on the plan.

By offering the highest purses in the country, Monmouth hopes to attract larger fields and better horses for the 12 races it will contest each day. That, in turn, is expected to lead to a significant increase in handle, or total amount of money wagered each day.

The plan is modeled after similar approaches in Japan and Australia, where most horse racing is held on weekends only with huge purses offered.

In addition to eliminating two days of operating costs, the sports authority would also see a major savings by not having to convert the Meadowlands Racetrack from a surface for thoroughbreds to one for harness racing, as it does every year.

The harness racing industry would benefit by being able to choose better late fall dates at the Meadowlands because of the absence of thoroughbred racing.

Last year, Monmouth Park averaged \$409,380 in handle per day and \$3.1 million overall when simulcasting was factored in. Early projections are that Monmouth could triple its handle on live racing while seeing the overall handle grow to more than \$5 million per day the first year.

*Source: Newark Star Ledger.*

## **FORMER MICHAEL GILL EXECUTIVE CLAIMS UNETHICAL BUSINESS PRACTICES**

A former employee at Michael Gill's The Mortgage Specialists claims she was fired for not going along with what she claims were unethical business practices. Alleging that other employees regularly 'cleaned up' documents before showing them to state auditors, former VP of operations Jean Duerr insists she tried to dissuade these practices and that company President Michael Gill, among others, encouraged them.

Gill, a leading Thoroughbred owner, has recently had troubles in the Thoroughbred business after jockeys at Penn National racetrack in Pennsylvania voted to not ride in races where his horses were entered, claiming his horses were getting injured at a high rate, making conditions unsafe for them. The Pennsylvania State Horse Racing Commission banned Gill's horses from entering races at Penn National because of the jockey action, although he continues to start horses at Philadelphia Park with no problems. Gill has substantially downsized his stable since the controversy arose and sources have said he is close to shuttering his training operation at Elk Creek Ranch in Oxford, Pa. *Source: Paulick Report.*

### **Ex-employee sues mortgage company (Michael Gill)**

A former mortgage company executive has made scathing allegations of unethical business practices against her former employer — and claims she was fired for not going along with them.

Jean Duerr, former vice president of operations for The Mortgage Specialists in Plaistow, alleges employees regularly "cleaned up" documents in advance of showing them to state auditors.

In August 2008, the New Hampshire Banking Department levied \$450,000 in fines against the company for fraud and unethical practices. Duerr was fired three months later.

Duerr's allegations are outlined in a civil lawsuit filed in Rockingham County Superior Court earlier this month. She claims she was fired after 10 years with the company for refusing to hide things from state and federal investigators.

Duerr alleges the "cleanups" were regularly coordinated by Lisa Tracy, the company's compliance officer — and company President Michael Gill encouraged the practice.

In her lawsuit, Duerr claims she tried to discourage the practice, although she was one of four people named in the Banking Department's order.

"She tried to do the right thing in this case," said Andrew Livernois, Duerr's attorney, "and when she tried to do the right thing, she was terminated."

The state Banking Department usually gave the mortgage company advance notice of audits, but there was a surprise audit in 2008. When the company learned of the audit, Tracy assembled a "special team" of employees to make sure documents were cleaned up, according to Duerr's lawsuit.

Tracy allegedly arranged to have a copy machine, correction fluid and scissors ready at an off-site storage facility where files were kept. Auditors requested 20 documents and it took more than four hours for employees to retrieve them, according to the Banking Department.

Duerr offers an explanation in her lawsuit. The team of employees at the storage site reviewed the files, added missing documents, and forged signatures by cutting them from other documents, pasted them to the requested forms and made photocopies, Duerr claims.

During the audit, Banking Department representatives found that documents were missing. They then discovered the missing paperwork in a bin, ready for shredding. As a result, the audit was extended and the department uncovered the altered documents, according to Banking Department records. Two broker fee agreements and an application for a federal mortgage loan were among the altered documents.

During the extended audit, Duerr claims Gill said someone other than management would have to take the fall and put her on administrative leave. She claims she asked Gill to come clean, but he brushed her off.

"She urged Mr. Gill to simply tell the truth to the regulators," the lawsuit states. "Gill laughed about Ms. Duerr's concerns about her reputation."

Duerr claims Gill promised she would get her job back.

Shortly after the fines were levied, Duerr was contacted by the FBI about a criminal investigation into Gill, according to her lawsuit. She said she told Gill about the call and he instructed her to call a criminal attorney. He recommended a lawyer, but Duerr chose her own.

After that, Duerr claims, Gill stopped talking to her and, in November, fired her.

Alex Walker, attorney for The Mortgage Specialists, said the company denies Duerr's allegations.

"We're in the process of reviewing the allegations, but based on what we've seen so far, they are without merit," Walker said yesterday. "The company plans to vigorously defend itself against the allegations."

Gill, a top thoroughbred owner, is under investigation by the Pennsylvania Horse Racing Commission for possible mistreatment of his horses.

*Source: The Eagle Tribune.*

## **Maryland admits a troubling figure**

Kirk Ziadie's success as a Thoroughbred trainer in Florida generated more suspicions than accolades. He won races at an astonishing rate, and horses improved phenomenally under his care, but skeptics of his achievements

could point to the fact that he had 13 medication violations on his record from 2004 through 2009. By last summer, Calder Race Course had had enough of its four-time leading trainer. The Miami track took the most drastic punitive action available to it, telling Ziadie on Aug. 20 that he was barred from its grounds and that he had 72 hours to clear out. Calder didn't offer any explanation or present any evidence against the trainer, but few people in racing were fretting about issues of due process. Many were delighted that the sport had rid itself of Ziadie.

Or at least it had done so until last week, when Ziadie's name again appeared in the entries. Despite the trainer's reputation, Laurel Park put him back in business by granting him 10 stalls. In doing so, it raised serious questions about the way the sport polices itself. And it forced racing fans in Maryland to deal with the confounding Ziadie factor.

One statistic in particular suggests that Ziadie, 41, is either a cheater or an amazing horseman. Over the last five years, when Ziadie has claimed horses from other trainers, those acquisitions have won 47 percent of the time in their first start for the new barn. It is a mind-boggling number. Ziadie improves almost every horse he gets his hands on, and he improves upon the work of almost every other trainer.

He disputes the popular notion that this success is evidence of any wrongdoing. "I don't move 'em up in two weeks," he told me in an interview this week. "When I claim a horse I usually don't run them back for three months. I clean them up, re-train them. These things don't happen overnight. And my horses last - I've got plenty of 9- and 10-year-olds." Such sustained success, he maintained, is hardly the hallmark of a trainer getting a quick boost from illegal drugs.

Nobody outside Calder's management knows if its ejection of Ziadie had anything to do with drugs. The track, owned by Churchill Downs Inc., had a reason for not charging him with anything. If it accused Ziadie of a specific offense, the case could drag through racing's legal system for years. Ziadie had been handed a 60-day suspension when one of his horses tested positive in March 2007 for the tranquilizer acepromazine, but his appeals had kept him from serving the suspension in the 29 months before Calder barred him. Instead of getting bogged down in another such process, Calder opted to use its right (one that has been upheld by the courts) to exclude people from its property by decree.

At the time of his 2007 suspension, Ziadie said he has never administered drugs "to make horses run faster," the Miami Herald reported. He said he did not administer acepromazine to the horse on the day of the race, though he said he has used it on other horses on race days to help settle them down.

Churchill Downs Inc. has never told anyone, including Ziadie, why he was expelled. The trainer only received a letter citing "business reasons" for his exclusion. "Everybody was out to get me," he said. Ziadie was out of business. He put some of his horses in the care of his girlfriend, trainer Ashley Behrens, who races in Pennsylvania. He worked on a farm caring for his other horses. He did not apply for stalls this winter at Tampa Bay Downs, where he had been so successful in the past, possibly because he suspected such an application would have been futile. Peter Berube, Tampa Bay's president, said that his track probably would have been influenced by Calder's actions. "It is highly unlikely that he would have received stalls here," Berube said.

This winter a friend suggested that Ziadie contact Laurel's racing secretary, Georganne Hale, and try to obtain stalls in Maryland. "I told her my situation," he said, and at this point the whole regulatory system broke down. Hale, like any racing secretary, was happy to find a trainer who could bolster her track's horse population, and she didn't know about Ziadie's history of drug violations. "I was a bit naive," she conceded. Joe Pogue, investigator for the Maryland Racing Commission, interviewed Ziadie, who presented him a letter from

Florida's racing commission saying he was a licensee in good standing. "I did see that he had a ton of rulings against him," Pogue said. But because Calder's ban had not gone through regulatory channels, it wasn't part of Ziadie's official record and Pogue knew nothing about it. Ziadie's application was approved in a routine fashion.

Ziadie already had his stalls by the time Maryland officials learned more about his record and realized they should have been asking more questions. "Now," the trainer said, "I'm going to rebuild my stable and prove that I'm not a monster." He has already started four horses at Laurel and won with three of them. One of those horses, Black Gabriel, had made his career debut at Philadelphia Park in early January under the care of Ashley Behrens, and lost by 27 lengths. On Thursday, now officially in the care of Ziadie, Black Gabriel was bet down to 5-2 and improved sharply to win by nearly four lengths. It was a scenario familiar to anyone who has followed Ziadie at Tampa Bay and Calder. In race after race, he turned the art of handicapping into an exercise in guessing how much the Ziadie horses were going to move up over their published form.

Maybe this won't matter in Maryland. The quality of racing in the state had eroded so badly that there isn't much left to ruin. And maybe most Marylanders won't fret about Ziadie's presence. The dwindling number of fans who go to the track mostly bet out-of-state simulcasts and pay little attention to the live product. But though the Maryland racing industry has already declined so far in recent years, it has hit a new low by signaling that it cares so little about the integrity of its product.

*Source: DRF and The Washington Post, 2010*

### Statistics are mixed for racehorse deaths

#### THOROUGHBRED DEATHS IN CALIFORNIA

2003:	207	2007:	264
2004:	215	2008:	259
2005:	272	2009:	230
2006:	268		

**Source:** California Horse Racing Board. The board's reporting years were from July to July the past two years and from November to November before that.

The amount of quarter horse deaths in California racing has skyrocketed the past two years while the amount of thoroughbred deaths has gone down, according to data released this week in another new report on racehorse deaths.

There were 78 quarter horse deaths in the year ending June 2009, doubling the amount since 2007. Meanwhile, thoroughbred deaths went down to 230 in 2009 from 264 in 2007 and a high of 272 in 2005.

The report, conducted for the California Horse Racing Board by UC Davis, sheds more light on a different report released earlier this week by the board that included death statistics. The new figures also give more ammunition to supporters of synthetic tracks. That's because most of the quarter horse deaths in 2008 and 2009

can be attributed to Los Alamitos, which has a dirt surface and is the state's major track for quarter horses. Los Alamitos has seen its annual deaths rise from 26 in 2004 to 88 in 2008 and 104 in 2009.

A message seeking comment from Los Alamitos owner Ed Allred wasn't immediately returned. A spokesman there pointed out that the track's volume of races — some 200 nights per year — factors in the amount of deaths.

Rick Arthur, equine medical director of the CHRB, said he understood the Los Alamitos track hadn't been refurbished in a while but since has taken unspecified measures to improve the situation.

"There are a couple of things we've been working on there that seemed to have improved the situation dramatically," Arthur said.

He said if the trend holds, there will be a 20 to 30 percent reduction in fatalities at Los Alamitos.

Statistics released earlier this week showed California endured 645 total racehorse deaths the past two reported years, an all-time two-year high. The board mandated that synthetic tracks be installed at major thoroughbred tracks for 2007 in an effort to improve safety and prevent deaths. Statistics provided by the board show that it's helped, though many trainers and bettors have voiced passionate criticism of synthetic surfaces for various reasons, including their unpredictability and stickiness.

Arthur said the track surface debate stokes emotions in much the same way as other heated topics, such as abortion and gun control. But he attributes the decrease in thoroughbred deaths in part to synthetic tracks. Deaths at Del Mar have decreased from 26 in 2006 to 13 and 12 in 2007 and 2008, its first two years with a synthetic track. Arthur said that during races at the state's four major thoroughbred tracks, deaths have dropped from 3.05 per 1,000 starts to 1.93 since the installation of synthetic tracks.

*Source: San Diego Union Tribune.*

## **TOC Announces 2009 Owner Awards**

For the second consecutive year, Jerry and Ann Moss were named Owners of the Year and their mare Zenyatta Horse of the Year by the Thoroughbred Owners of California. The awards for both "Most California Purse Money Won" and "Most California Stakes Races Won" went to Zayat Stables. The award for "Most California Wins" went to the Northern California-based partnership of Hollendorfer & Todaro. Deanne Warren was chosen Rookie of the Year. Moment of the Year went to Zenyatta's win in the Breeders' Cup Classic against males to remain undefeated in 14 career starts.

In addition to the sensational Zenyatta, the Mosses campaigned Alpha Kitten, Coco Bell, Madeo, Tiago, Neko Bay and Theodora in California in 2009. Zayat Stables won a remarkable 11 stakes races in 2009 and nearly \$2.5 million. Their stakes winners included Pioneer of the Nile, Thorn Song, Zensational, Z Humor, Macias, and Kays and Jays. Jerry Hollendorfer and George Todaro had a total of 88 wins in 2009 with earnings over \$2 million. Warren raced Storm Machine, Multitasker, Justified Talent and Journeyman to four wins in 21 starts, with earnings of just under \$100,000.

The selection process began with a media selection committee comprised of representatives from northern and southern California, including track publicity, print media, television, and local handicappers. The winners were chosen by a combined vote of the media committee and members of the TOC board of directors.

Selected to receive this year's Ed Friendly Industry Service Award were John and Jerry Amerman. The award is presented annually to recognize outstanding contributions and service in the Thoroughbred racing industry. The Amermans have been involved in California horseracing since 1995, when they started Amerman Racing LLC. A former CHRB commissioner and director of TOC, John serves on the board of directors for Winner's Foundation and Tranquility Farm. Jerry serves on the advisory board for the Center for Equine Health at the University of California, Davis. The Amermans own Peacefield Farm in Temecula, Calif., which serves as a rehabilitation facility for both race and show horses.

TOC is the official organization serving new, veteran and future Thoroughbred owners in the state. It represents, advances, and protects owners' interests and rights in legislative, administrative and business matters. Additionally, the organization provides ongoing educational opportunities for current and prospective owners, regularly presenting programs on Thoroughbred ownership

*Source: TOC news release.*

### **Thoroughbred Trainer Pleads Guilty to Abuse Charges**

Thoroughbred trainer Chad Moore will serve 180 days in jail and is barred from owning or training animals for five years after pleading guilty to six counts of animal abandonment under an agreement entered in Clermont County Municipal Court on Tuesday.

The charges stem from the removal of six malnourished Thoroughbred horses, one pony, and one donkey from Moore's Bethel, Ohio, farm in December. Investigators also found the carcasses of at least 10 horses on the property. Two of the surviving horses were later euthanized. The remainder are under Clermont County Humane Society care.

Moore was charged with 12 counts of animal cruelty and abandonment. He could have been sentenced to 90 days in jail and \$750 in fines for each count, but prosecutors dropped six of the charges and recommended no more than 180 days in jail in exchange for his guilty plea.

Moore also agreed to pay the Clermont County Humane Society \$1,792.88 in restitution for the horses' care.

"The judge was a fair as he could have been under the law. Now were focused on creating awareness to prevent other cases like this from happening," said Donna Moore, founding member of the Southern Ohio Horseman's Network, a group established in response to public interest in the Moore case.

The group will sponsor classes to help community residents recognize signs of equine abuse, and will assist law enforcement and animal welfare authorities with case documentation.

"Our goal is to have a team lawyers and veterinarians to work with law enforcement when cases arise," Moore said.

The Northern Kentucky Horse Network will also offer a seminar on equine abuse recognition on March 21, which President Anna Zinkhon said was prompted by the Moore case.

*Source: The Horse.*

## **Group Wants Lawmakers To End Dog Racing**

A group trying to protect Greyhound dogs in Iowa hopes a new video will do the trick.

Grey2KUSA has been taping simulcast races at Bluffs Run in Council Bluffs and captured several accidents where dogs fell and were later euthanized. The Massachusetts nonprofit wants to end Greyhound races in Iowa and is working with the Animal Rescue League of Iowa.

"I can't see a real good reason why we have greyhound racing. When you take into account the animal suffering, and exploitation, you know it's really hard to justify it at all," said Tom Colvin, Director of the Animal Rescue League of Iowa.

Casino Giant Harrah's Entertainment is also lobbying state lawmakers. Harrah's wants to pay the state \$70 million over the next 7 years so it can stop subsidizing dog racing purses.

Greyhound racing supporters said that would cost Iowa 1,300 jobs.

*Source: KCCI, Des Moines, Iowa.*

## **IowaPolitics.com: Chance of gambling bill's passage dims; lawmakers cite impropriety in plan to generate millions**

Iowa lawmakers have backed away from plans that would have generated tens of millions if not hundreds of millions of dollars for the state through gambling proposals, two legislators key to the discussions revealed Friday at an IowaPolitics.com forum.

A plan that would have allowed greyhound tracks to stop racing if they paid the state an exemption fee has been sent to a "kill committee," while a working group of lawmakers has removed the idea of an "opt-in fee" for casinos to avoid referendums and a key lawmaker predicted only a 20 to 25 percent of passage for the whole package of gambling proposals.

"I'd give it maybe one chance in four, 25 percent, 20 percent, that this happens," said Rep. Doug Struyk, R-Council Bluffs. "It's going to be a tough lift. It depends on if we have an opportunity to reasonably educate individuals and avoid the knee-jerk reaction of Internet gambling and we actually look at what we're trying to do not only with Internet gambling, but with the list of items. Perhaps we throw Internet gambling overboard."

Gambling proposals being considered by the Legislature this year include legalizing and regulating online poker tournaments within the state, sports betting, allowing some casinos to avoid referendums, ending greyhound racing if racetracks pay the state a fee, allowing casinos to take a portion of the wagering from telecast horse and dog races, and allowing casinos to purchase an off-floor gaming license for poker tournaments.

One of the proposals with the greatest revenue-generating capacity is Internet gambling, but even that is only expected to raise \$11.5 million in the first year, rather than the \$80 million that's currently being wagered. Struyk said the rest of the package is only expected to generate about \$1 million to \$2 million.

Struyk, one of eight lawmakers working on the proposals, said if Internet gambling is removed from the bill, that would probably improve the bill's chances of passage by 10 to 15 percent.

A proposal that would have allowed casinos to pay an "opt-in fee" to avoid a referendum this November and a proposed "exemption fee" that would have allowed greyhound tracks to stop racing have been taken off the table because of the appearance of impropriety.

"They've called it 'pay to play' and I have yet to talk to a legislator who thinks 'pay to play' is an appropriate way to accomplish that," Struyk said. "If we want to have referendums moved to only subject to reverse referendum after they've been passed twice, then let's vote on that. Let's not look at it and say, 'Well, if you give us ... \$500,000 per license that you'd be able to do it. I really think that looks bad and reflects poor on the state.'"

Bluffs Run Greyhound Park in Council Bluffs had offered to pay the state \$10 million a year for seven years, for a total of \$70 million, for the ability to stop racing greyhounds. Under the initial legislation, Mystique, formerly called the Dubuque Greyhound Park and Casino, would have also been able to discontinue live dog races if it paid a "racing exemption fee."

Rep. Mary Mascher, D-Iowa City, chairwoman of the House State Government which tackles gambling issues, is a big proponent of ending greyhound racing. She said there's waning interest in dog tracks. But she said the greyhound bill has been sent to the House Agriculture Committee where it's expected to die.

"We got it out of committee; unfortunately, it got channeled to another committee that could be a 'kill committee,'" Mascher said. "It went to the Ag Committee so that's what probably indicated that it was a 'kill' issue and the leadership was not in support."

The greyhound proposal also isn't being considered by a working group of eight lawmakers studying gambling issues because dog breeders say it would bring the loss of 1,500 jobs at 150 greyhound farms across the state. "That is not part of what this working group is dealing with because that one is believed to have winners and losers within the gaming community," Struyk said.

The gaming proposal with the best chance of passage in the Iowa Legislature this year would allow casinos to purchase an off-floor gaming license for poker tournaments, Mascher said.

"The only one that I think is a live round is the issue regarding the expansion of gaming in terms of allowing Texas Hold 'Em tournaments in our casinos," Mascher said. "I think that one has definitely got some legs and I think there is support for that among both caucuses."

Mascher is traditionally an opponent of expanded gambling and lives in Johnson County, where voters are opposed to having a casino. As chairwoman of the House State Government Committee, Mascher also has the power to advance or stop gambling legislation.

"I won't prevent certain things from coming to the floor; I don't want to see a full-scale gaming debate for this session," she said.

The group of lawmakers looking at the issue includes Struyk and Reps. Brian Quirk, D-New Hampton, Mike Reasoner, D-Creston, Kirsten Running-Marquardt, D-Cedar Rapids, Peter Cownie, R-West Des Moines, Jeff Kaufmann, R-Wilton, and Sen. Bill Dotzler, D-Waterloo.

*Source: Iowapolitics.com*

## **Leader of greyhound industry says it offers a lot to the state**

One of the proposals that's included in the package of gambling bills still in consideration by Iowa lawmakers would eliminate greyhound racing. The proposal initially included a provision where Bluffs Run Greyhound Park in Council Bluffs and Mystique Casino in Dubuque could maintain their gaming license and discontinue live dog races if they pay a "racing exemption fee."

Iowa Greyhound Association president, Bob Hardison, says he was shocked when he first heard about the proposal, considering the history the industry. Hardison says when the Indian gaming and riverboats came around, the legislature passed the law allowing the slot machines in the race tracks to help preserve the agricultural-based greyhound and horse racing industries. "That law was very clear when it was passed and why it was passed, was to help the working families in the state that were involved in the greyhound industry," Hardison says.

Hardison says the dog tracks contribute more to the state than casinos. "We have a much higher economic impact on the state of Iowa through all the farms that we have, the people we employ, the property taxes we pay, we higher veterinarians we buy feed," Hardison says. Hardison says his own small business employs eight people, and there are hundreds of others in the greyhound industry that do the same thing.

Hardison says the casinos take most of their money out of state, and cutting greyhound racing would send more money out of Iowa. "They just want to get rid of us, because it would make it just that much more profitable for them," Hardison says. He says it's very clear they don't want greyhound racing to succeed. Hardison says it's evident it's all about more money for the casino operators.

Hardison says another thing in the proposal that is "hypocritical" is the casino wants to get rid of live greyhound racing, but then they want to bring in simulcast greyhound and horse racing from other tracks for people to bet on. "It certainly seems hypocritical, doesn't it?," Hardison asks.

Hardison says he believes lawmakers have a clear choice. He says it comes down to a question of whether the "Iowa legislature will continue to support the hard working rural Iowans, or whether they will allow Harrahs to bully 'em around...and cut us out of the equation and ship that much more money to Las Vegas." Hardison says the casinos in the state were already hurting the take of the dog and horse tracks in the state before the casinos were allowed at the tracks.

And he says they knew the tracks would be hurt more by the new casinos. Hardison says that's why the legislature required the casinos to use some of their profit help supplement the tracks. "And I don't think the legislature will change that one us, I mean we've put hundreds of thousands of dollars in our facilities...and hundreds of Iowa families that depend on this business to make a living in Iowa," Hardison says. The provision for the racing exemption fee has been taken out of the bill.

Governor Culver recently said, while eliminating greyhound racing has been in the mix of gambling bills, it has not been on the table in his discussions with Democratic leaders at the statehouse.

*Source: Radio Iowa.*

## **Students' social service project is supporting local rescue of discarded race dogs**

A group of area fifth graders and a Lindstrom veterinary clinic are doing their best to prove that man can be dogs' best friend.

Jeremy Swensen's Scandia Elementary School students and Lakes Veterinary & Surgical Center are involved with a network of dedicated volunteers rescuing greyhound dogs that the dog racing industry has discarded.

The fifth graders in Mr. Swensen's class chose Minnesota Greyhound Rescue for their classroom community service project. Swensen said research has shown students get motivated and learn most effectively when a topic is of personal interest and there's a hands-on aspect to the lesson. After choosing MN Greyhound Rescue to benefit from their efforts, the students selected classmates for committees responsible to do tasks like "public information" or create informational material. Students produced a jingo, a brief video that's posted on the Scandia Elementary School website.

Their goal, they told this reporter, is to raise \$900.

They also are collecting donations of soft collars (mesh strap kind) or leashes, and have set up donation boxes at the school. If you would like to mail a check send it to Scandia Elementary School, 14351 Scandia Trail North, Scandia, MN 55073. Checks should be payable to Minnesota Greyhound Rescue.

The fundraising effort is scheduled to run basically through March.

Last week the youngsters also got to spend 30 to 40 minutes with six greyhounds.

They asked questions of Minnesota Greyhound Rescue director Jen Komatsu, who transported the dogs to the school, along with Lindstrom veterinarian Dr. Meaghan Swensen-- who just happens to be married to their teacher.

The dogs couldn't have been any more mellow. They wandered through the cluster of students, seeking the attention and adoration of the kids. A couple plunked down on their fleece doggy beds and snoozed through the presentation.

Dr. Swensen explained greyhounds are appreciated for their passive, calm personalities. They are hunters, however, and will chase prey, even an electronic rabbit, which is what they were trained to do on the racetrack.

The visiting greyhounds ranged in age from 3 to 11. The Swensens also brought along their dog, Hootie. The teacher and the doctor have been greyhound fans since veterinary school days.

Dr. Swensen talked about the dogs' ability to run and their keen vision. She said they sometimes have medical needs when taken in by the rescue group and explained how two of the dogs in the class that day have had cancer. Fleas are common because the dogs live in close quarters at the track. The animals are neutered or spayed. All the dogs get basic veterinary care at the Lakes Veterinary & Surgery facility.

Komatsu told the curious students that she will get a call when a single dog or group of dogs are being let go by a greyhound racing track. She transports them in her compartmentalized "dog truck" to locations where providers "...make sure the dogs stay safe."

The east metro branch (Inver Grove Heights location) of the rescue organization currently has about 15

adoptable greyhounds, and Komatsu houses 11 at her own residence.

The rescue group invites anyone interested in greyhounds to contact a representative and the group will make a site visit to the would-be adoption home, and will work with you on transitioning the greyhound into your family.

*Source: Chisago County Press.*

## **Greyhound racing compared to bingo Greyhound racing is called parimutuel gambling**

The Mobile Greyhound Park is the place to be on a Monday morning. The score board is lit, the dogs are running, and people are betting.

Lots of people have questioned why we can bet on dogs in Alabama, and it's not considered illegal gambling.

Eddie Menton, a commissioner on the Mobile County Racing Commission, said the reason people are allowed to bet on dogs at the Mobile Greyhound Track is because it is parimutuel betting.

"Parimutuel betting is players betting against each other, not players betting against the house," said Menton.

The definition of parimutuel betting is a system of betting on races whereby the winners divide the total amount bet, after deducting management expenses, in proportion to the sums they have wagered individually.

Maurice "Casey" Downing, a former member of the Alabama House of Representatives, fought consistently for greyhound racing in Mobile County. Legislation in 1971 allowed Mobile County voters to vote on whether to allow parimutuel betting.

*Source: Fox10News.*

## **Those who rescue greyhounds find sweetly sunny dog delights**

Lydia Crepon brought home a rescue greyhound seven years ago and immediately fell in love.

Johnny, a female and former race dog, was tame around her 6-year-old son and played gently with its best friend, a 20-pound dachshund named Ruby. Mostly, though, Johnny just lay on the couch.

"She was an awesome dog, so gentle and sweet," Crepon said.

Johnny recently got sick and had to be put down, and Crepon at first didn't consider getting another pet so soon. But she now finds herself seeking another greyhound through Retired Greyhounds as Pets of Connecticut, or REGAP, which is based in Bethany.

Animal rescuers nationwide are counting on more people adopting greyhounds as dog-racing tracks across the country shut down and send thousands of dogs into the adoption pipeline.

According to The Associated Press, more than 50 greyhound race tracks were operating nationwide, including

two in Connecticut, in the 1990s, the peak of the racing industry. That number dropped to 46 in 15 states in 2001, and to 30 at the start of 2009, the AP reported.

Today, there are just 23 tracks in eight states and others are rumored to be shutting down soon. Two tracks recently closed in Massachusetts, leaving none still running in New England.

More greyhounds needing homes adds to the plight of pets nationwide.

The American Society for the Prevention of Cruelty to Animals estimates that about 2 million pets have been abandoned since the end of 2007, the start of the recession, because people can't afford to take care of their animals.

To read the complete story see Thursday's Republican-American or our electronic edition at <http://republicanamerican.ct.newsmemory.com>.

What do you think? Share your comments using the form below.

*Source: CT Republican American.*

### **Another track could drop greyhound racing**

If enacted, an Arizona State Senate bill could lead to an end of live racing at Tucson Greyhound Park.

The legislation would end the state mandate to hold live races, but simulcasting and betting on out-of-state races would still be permitted. It's not all the way there, but certainly it's a step in the right direction.

GREY2K USA reports more than 500 greyhounds in Arizona were either too sick or too injured to race in 2008.

Another bill in the works in Arizona (House Bill 2637) bans the use of anabolic steroids in racing dogs. KVOA.com reports the penalties would increase for drugging dogs in any way.

*Source: StarNews Online.*

### **Source: Mass. speaker unveiling expanded gaming**

House Speaker Robert DeLeo will unveil expanded gambling legislation for Massachusetts before the end of the month, according to a top State House official, and a key element is a proposal to use some of its expected licensing fees to support existing manufacturers and to lure new ones.

The thrust of both actions will be to create blue-collar jobs that complement the white-collar jobs targeted through recent tax breaks for the life sciences and clean energy sectors, said the official, who requested anonymity to address specifics of the proposal.

DeLeo was outlining it this morning during a breakfast meeting of the Greater Boston Chamber of Commerce.

Spokesman Seth Gitell said, "Speaker DeLeo will highlight the importance of creating jobs in a very difficult economy."

He added: "In the past, Massachusetts has focused on life sciences and clean energy as ways to do it. One additional way to do that is through gaming. In his remarks, he's going to pay special attention to blue-collar workers, who don't always reap the benefits these other sectors receive."

Those workers would come not only from the construction trades that would build any new facilities but also from the hourly jobs used to staff the gaming.

The official would not address any other specifics in the bill, including the type of expanded gaming DeLeo will propose or the revenue it is projected to generate through one-time licensing fees or ongoing taxes.

The official also would not say whether the manufacturing benefits would be achieved through grants or tax incentives.

In prior speeches, DeLeo has said he favors installing slot machines at the state's four existing race tracks to generate a quick infusion of cash and to save track jobs.

There are two in the Winthrop Democrat's district: Suffolk Downs in Boston, which continues to offer live horse racing, and Wonderland in Revere, which offers only simulcast races after a dog-racing ban forced it to stop live greyhound races as of Jan. 1.

Gov. Deval Patrick tried in 2008 to license three resort-style casinos across the state, but his plan was blocked by DeLeo's predecessor, former House Speaker Salvatore DiMasi. He resigned last year, but Patrick has since preferred to let the new House leadership team push any revised proposal.

Senate President Therese Murray, in her own appearance before the chamber last year, said she supports some form of expanded gambling to recapture money Massachusetts residents are now spending at Connecticut and Rhode Island casinos and slot parlors.

Chamber officials have also signaled their support for expanded gaming in Massachusetts.

All cite the state's ongoing budget deficits as a primary reason for expanding legalized gambling from its existing forms: the state lottery and horse racing.

The immediate impact of any legislation is in doubt, though. The state would have to establish and staff a new gaming commission and overhaul its criminal and financial-reporting statutes before additional gambling sites are created.

The current Massachusetts fiscal year ends June 30, and the next begins July 1. Administration and legislative financial experts have been wary of factoring any gambling revenues into their budget proposals before the end of the next fiscal year on June 30, 2011.

*Source: South Coast Today.com*

## **Naples-Fort Myers Greyhound Track part of region for more than 50 years**

The horn blares to signify the beginning of a race, and a voice booms from the loudspeaker, "Here comes Sparky!" Eight dogs are then released from the gate, appearing as a blur as they sprint after the mechanical rabbit. After one lap around the track, the race is over.

For 21 years, Mary and Clifford Bodenhafer have come to the Naples-Fort Myers Greyhound Track to watch the dogs race. "Some people are only here for the gambling," says Clifford Bodenhafer, 78. "I enjoy watching the dogs run."

About three times a week, he and Mary Bodenhafer, 74, make the trek from their North Fort Myers home to the track in Bonita Springs. Mary Bodenhafer had racing horses while living in Canada, but she says she prefers dog racing because the pace is faster. "I love it," she said. "I really do."

The track, a family-owned business that employs 300 people, has been a part of Southwest Florida for more than 50 years. It hosts between 10 and 14 races six days a week, depending on the season, and patrons can watch from one of three floor levels. For 30 years, the track has belonged to the Havenick family, who rebuilt it in the mid-1970s.

"We provide a different source of entertainment that nobody else really offers," said Izzy Havenick, vice president of the track. Havenick operates the track with his mother, Barbara, the track's CEO, and his brother and fellow vice president, Alex. In addition to greyhound racing, the track has a poker room, which opened in 1996 and has since become just as popular at the track as racing.

Even if the track isn't showing a live race, the poker room is often filled. Some people, such as 76-year-old Charlie Sottile of north Naples, play nearly every day. Sottile plays Texas hold 'em at the poker room. He prefers the track to the Seminole Casino in Immokalee because the former is not only closer, but smoke-free as well.

"I can't stand the smoke," he said.

And if poker isn't your thing, the track provides live simulcasts of other horse and dog races around the country, on which people can bet just as they would a live race. For any race, the minimum bet is \$2, with no cap on higher amounts. On an average day at the track, \$35,000 is wagered on the live races - a far cry from the nearly \$1 million in wagers the track saw in the 1980s.

Increased competition from untaxed, unregulated gambling venues, such as the Seminole Casino and the Seminole Hard Rock casino-hotels in Tampa and Hollywood, has significantly affected business at the track, Havenick said. The track, however, answers to the state. In 2007, Gov. Charlie Crist made a deal with the Seminole Tribe of Florida that allowed it to offer Las Vegas-style slot machines, blackjack, baccarat and other table games. The deal was invalidated by the Florida Supreme Court because it allowed casinos to operate games that are illegal under Florida law. But Crist continues to push the proposal to lawmakers.

Havenick said the track should be afforded the same liberties if the deal is sealed. "We're hopeful that the Legislature this upcoming session helps an industry that's been a part of Florida since the '20s," he said.

The advent of the Florida Lottery in 1988 has also caused attendance to dwindle. But if some people had their way, they would do away with the track altogether. On Feb. 6, members of the group Grey2K USA, a national organization that promotes greyhound protection, protested the treatment of greyhounds outside the track.

But Havenick maintains the dogs, which are not owned by the track but by individual owners, are treated well. "These people really love their dogs, and I don't think people realize that," he said. And when a greyhound can no longer race, the track strongly encourages its owner to place it for adoption. More than 96 percent of the dogs that race at the Bonita Springs track are adopted when their racing careers are up.

But despite accusations of greyhound mistreatment and other available casinos and forms of gambling, some people remain faithful to the track and the industry.

Eric Carroll, 37, of Indiana, was at the track Feb. 10 for the first time in more than 10 years. Carroll was in Southwest Florida to work at the Collier County Fair. He makes elephant ears, just as his father did when he would come to the area to work local fairs. And whenever they made the trip to Florida, Carroll's father always stopped by the track. "We didn't go fishing," Carroll said of his childhood activities. "We went to the horse track or the dog track." So naturally, being back at the Naples-Fort Myers Greyhound Track reminded Carroll of his father. "It brings back a lot of memories," he said.

Sharon Skunes, 61, of Minnesota, also visits whenever she's vacationing in Fort Myers. She enjoys the track's cheap prices and flexible hours. "And you got to think a little bit," she said, scanning the list of dogs participating in the next race. "You're not just sitting here watching TV."

Havenick believes the track provides something not only for its customers, but for the state of Florida, too. "By being here and being in business, we're employing people and paying taxes, which the state needs both of," he said. And for Havenick, the track provides a job that allows him to work alongside his family - which makes it less like work and more like fun. "You celebrate your victories together and mourn your defeats together, and it's nice," he said.

*Source: Fort Myers News Press*

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