

CHASING DOWN



THE DERBY



There's more than one strategy for success in Thoroughbred racing, which means every owner has a chance to win at Churchill Downs.

BY SHAUN TOLSON



Left: Groupie Doll, a 5-year-old mare ridden by Rajiv Maragh, winning the \$1 million Breeders' Cup Filly & Mare Sprint in November. Above: Jockey Mike Smith celebrates his victory aboard Mizdirection, who won the \$1 million Breeders' Cup Turf Sprint in November.

LEFT: BREEDERS' CUP/DANNY MOLOSHOK. TOP: BREEDERS' CUP/GARY BOGDON



During Keeneland's annual September Yearling Sale, which spans two weeks, owners and prospective buyers spend much of their time appraising horses in the stable areas. In particular, they'll critique a horse's bone structure, posture, and gait.

IT'S NEARING TWO O'CLOCK in the afternoon and the SoCal sun is beating down on Santa Anita Park just east of Pasadena. It's the second day of November—the 30th running of the Breeders' Cup—and the mercury has reached its zenith for the day. Down by the paddock, the owners and trainers dressed in their race-day best—be it bow ties and fedoras or wide-brimmed hats and form-fitting cocktail dresses—are beginning to sweat, but their perspiration has little to do with the weather.

The Breeders' Cup is, as many equine experts describe it, the Super Bowl of horse racing. Unlike at the Derby, the Belmont, or the Preakness Stakes—where a long-shot runner or two will round out the field of horses—the Breeders' Cup field is stacked with champion runners with impressive résumés. George Bolton, an investment banker and horse owner, who successfully dabbled in the industry through the 1990s and then hit it big in early 2007 when he bought a share of Curlin (a colt that went on to win the Preakness Stakes, the Breeders' Cup Classic, and the Dubai World Cup, among other races),

sums up the Breeders' Cup appeal. "Here," he says, "there are no Hail Marys."

Fourteen horses are in the paddock gearing up for the Turf Sprint, a race more than three-quarters of a mile long with a \$1 million purse. The field is dominated by male horses—only one filly and one mare are among the competitors—but that hardly seems relevant based on the morning's odds. The favorite, a 5-year-old mare named Mizdirection, shocked the Breeders' Cup crowd the year before, when, with less than 300 yards to go in the Turf Sprint (against the same number of male challengers), she stormed back from more than nine lengths off the lead to win.

Case Clay, the president of Three Chimneys Farm in Midway, Ky., looks over the mare as she's led around the paddock. In that instant, the horse aggressively pulls her head away from the handler's grasp, and Clay gets a good look in her eyes. "Oh, she's going to win!" he says, suppressing a laugh and hiding a grin. Two days from now in Lexington, Ky., Mizdirection is set to cross the block at a "mixed" auc-

TOP LEFT: JONATHAN PALMER; TOP RIGHT AND LOWER RIGHT: DAVID COVILE; LOWER LEFT: PHOTOS BY Z

tion consisting of weanlings (horses just weaned from their mothers), mares, and fillies. Three Chimneys Farm will serve as the agent for Mizdirection during that sale, and it stands to reason that a win here would only increase the odds that she will sell for a considerable amount.

About 20 minutes later, Clay is standing by the rail, watching the horses as they're loaded into the starting gate at the opposite end of the track. "Nervous?" I ask him.

"Not really," he replies. "You know, I typically don't get nervous before a race."

Moments later, the bell rings, the gates open, and the horses bound down the track.

"Now I'm nervous," he says. "There are so many more variables that come into play as soon as the gates open. So much can go right, but you can still have a bad start. When the gates open, the uncertainty comes back into play and

sometimes the best horse doesn't win."

Fortunately for Clay (and for the partnership that owns Mizdirection), it's a good start for the mare. She breaks out of the starting gate and establishes her position on the outside, but she's soon overtaken by Reneesgotzip, a 4-year-old filly, and Tightend Touchdown, a 4-year-old gelding, who sprint out in front of the pack. The filly holds the lead for much of the race, but with only about 200 yards to go, her main pursuers, most notably Tightend Touchdown, begin to make up ground. It looks as though the two 4-year-olds will duel it out for first. Mizdirection will have to settle for third, provided she can make up some ground. All of a sudden, however, the seasoned mare begins closing in on the leaders.

In only five seconds, she sprints from five lengths back to an even position with the filly, but the mare isn't slowing. Just like she did the year before, Mizdirection surges past the



Secret Circle (left), a 4-year-old colt ridden by jockey Martin Garcia, is shown winning the \$1.5 million Expressbet Breeders' Cup Sprint in November.

leaders to claim her second Breeders' Cup victory. "There's no greater thrill than to own a horse that goes from last to first," Clay says. "It can't be described unless you experience it."

Mizdirection's come-from-behind victory isn't quite that extreme, but her last-second surge is dramatic all the same, and according to Clay, the mare's ability to repeat such a performance against a field of top racehorses—most of them males and many of them younger—is her crowning achievement. "If you find a filly that can beat the colts, they're usually pretty special," he says. "Back-to-back Breeders' Cups as a filly is remarkable."

The buzz surrounding the 2013 Breeders' Cup is a positive sign for horse racing; and while it's unlikely that the sport will ever regain the popularity that it enjoyed during the mid-20th century, recent activity within the industry—specifically at auctions—suggests that its popularity is on the rise. Ironically, it comes at a time when the number of races and the number of foals born each year are at their lowest levels in almost a quarter century.

Back in 1988, more than 45,000 foals were born, but by 2012 that number was estimated at less than 23,000. In 1989, more than 74,000 horse races were held across the United States, but by 2012 that number had dwindled to slightly more than 45,000. Conversely, the total value of the purses for those races has steadily increased, from slightly more than

\$675 million in 1988 to more than \$1.1 billion in 2012. It may seem like there's more money to be won and less competition to face, but with fewer races there's also less opportunity for owners to establish their horses' abilities. Geoffrey Russell, the director of sales for the Keeneland Association in Lexington, Ky., puts the odds for top success in perspective: "23,000 foals are born in North America each year," he says, "but only 20 horses start in the Kentucky Derby, and only one wins."

For every Mizdirection that makes headlines and captures titles, there are thousands of horses that never set foot inside the winner's circle. Even so, success can come in numerous forms, and there are many different strategies to finding it.



"THIS IS A HOPE BUSINESS," Bill Thomason, Keeneland's president and CEO, said at the onset of the association's annual September Yearling Sale last year. Many owners and trainers concur, but they underscore just how much hope is being sold, since numerous 1-year-old horses typically exchange ownership for more than \$1 million apiece. "There's no cookie-cutter formula," Thomason continued. "Everyone looks at something differently with a horse. All it takes is two people who have the money, who want the same horse, and who are serious about it."

"This is like starting restaurants and making movies," Bolton says of Thoroughbred ownership. "It can be run as



Mizdirection storms back to win the Breeders' Cup Turf Sprint for the second year in a row.

a business, but the negative of that is that you're competing against people who don't care if they make money. The challenge is always keeping it self-sustaining. You can't think of it as real money if you want to keep the horse business going.

"The thing that kills new people in this business is getting too big too quick," he continues. "The overhead will kill you."

It's a challenging proposition for many new owners. Thoroughbred ownership and racing attracts powerful and successful people—many of whom have reached that level of success by fully investing in their respective businesses. They've been conditioned to believe that if they throw enough money into a project, they'll be rewarded in the end. Thoroughbred racing doesn't follow those rules, which is why Bolton advocates a slow integration for new owners. Buying a share of a racehorse lets newcomers gradually learn how the business works and provides them with time to decide if it's an endeavor that's

right for them. The strategy doesn't offer the highest level of pomp and circumstance right out of the gate, but it eliminates the risk that new owners might get in over their heads.



WHEN IT COMES to buying horses, many owners, trainers, and bloodstock agents—the experts that owners hire to evaluate and ultimately purchase Thoroughbreds—agree that a powerful-looking horse with an equally strong bloodline to past champions or to horses that have sired past champions is the safest investment. As such, those horses command seven-figure prices as yearlings. But that doesn't mean that the owners who instead invest in horses that could be characterized as long shots, based on their pedigrees or inferiorities in appearance, can't find success on the track or in the breeding stables following a horse's racing career. I'll Have Another sold for only

The Rituals of Racing

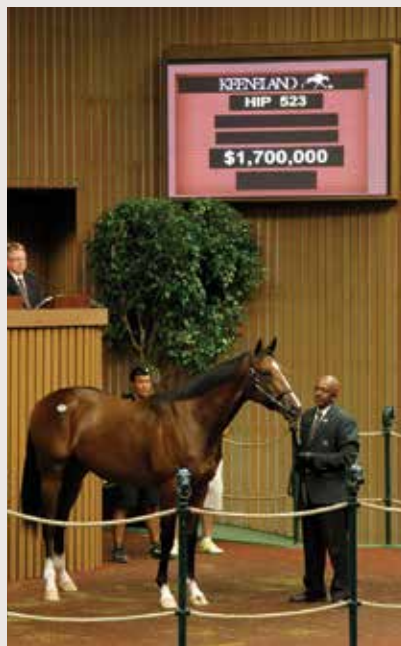
Owning racehorses requires foresight and tenacity, but it also breeds superstition.

THIRD BASEMAN Wade Boggs ate chicken before every game; Michael Jordan wore his collegiate shorts under his professional uniform throughout his NBA career; and goalie Patrick Roy always skated backward toward the net before each period (and would talk to the posts during games). All three have been inducted into their respective sport's Hall of Fame, and each athlete was especially superstitious.

When it comes to sports in general, however, there may be more superstitions (and superstitious participants) in horse racing than in any other category. To help you through that sea of ritual and compulsion, we've uncovered some of the most common beliefs.

U A horse with four white feet has long been thought of as a weaker runner. Many owners and trainers believe that the lighter pigmentation leaves the hooves prone to unsoundness due to wear and cracks. A champion racehorse is strong and powerful; tender feet simply don't fit into that equation. But then there's Frankel, a now-6-year-old stallion with four white feet, who never lost a race in 14 events, 10 of which were Grade 1 (G1) races. Further debunking superstition, Frankel won his first race on Friday the 13th.

U Flaxen (white or golden colored) manes and tails generally are considered bad luck, but that didn't stop Flame Thrower, a now-16-year-old stallion who won a handful of G2 races and earned more than \$450,000 over seven career races. According to Julie Cauthen, Keeneland's director of owner and client development, the flaxen colt was "wickedly fast."



U Many people believe that an old mare will be unable to produce a strong runner. Secretariat—born to an 18-year-old mare—repudiated that premise by winning the Triple Crown in 1973.

U Another prevailing view is that May foals, which are among the last crop of horses born in a calendar year, will never catch up to those born earlier in the year. Seabiscuit, who was born in May, seemed to have no trouble catching up to anyone.

U When it comes to race day, many owners (and bettors) think that it's bad luck to bet with 50-dollar bills. Many owners don't want to be wished "good luck" before a race, and some don't want their horses photographed before a race either. Owners and trainers also have their preferred spots to view a race, and many choose to do so away from the track itself.

U Finally, when it comes to stabling a horse, a cat in the barn is considered good luck, but rakes or pitchforks hanging with straw in the tines are believed to be unlucky. So are peanuts (at least in the barn). Some horsemen even believe that it's bad luck to hang a winner's circle photo of a horse before the horse has retired. — S. T.

\$11,000 as a yearling in 2010, for example, but he went on to win two of the three Triple Crown races in 2012 and earned more than \$2 million in purses. Likewise, Seattle Slew was sold as a yearling for \$17,500 in 1975—hardly the headlining Thoroughbred of that sale. But at the height of the horse's value in the late 1980s (following a successful Triple Crown campaign in 1977), the stallion was worth \$120 million.

“This whole business feeds off billionaires with big egos. You can't get in a bidding war,” says Craig Bernick, the president of Glen Hill Farm in Ocala, Fla. “You have to set a value on a horse and stick to it.”

Bernick took over as the head of his family's farm in 2008 and initially attended auctions like Keeneland's yearling sale with the intent of buying about a dozen horses, which he says was necessary at the time to improve the farm's overall breeding stock. Now, with an improved stable of horses at his disposal, Bernick aims to spend that same amount of money on only two to four horses per sale.

He almost always buys fillies because, as he explains, they're safer purchases. “There's a residual value with a filly even if it's not a great value,” he says, explaining that a filly who isn't a strong runner can still be desirable as a broodmare, especially if she comes with a strong pedigree. “A \$500,000 filly [who doesn't run] will be worth \$100,000 to \$150,000, and if they work out, they can be worth millions.”

To steal an analogy from golf, buying young colts at auction is the ultimate risk-reward shot. The best examples are sure to cost seven figures and they'll lose all residual value if they don't amount to much on the track. But if they're great competitors, colts can go on to live long, lucrative lives as stallions, where one-time stud fees can reach six figures. Considering that the top stallions will mate with 100 mares or more each season, the return on such a risky investment is enticing.

Some owners have no desire to enter the racing arena and instead focus solely on breeding. Bernick is not one of them. But unlike some owners, who own and race horses just as a hobby and are less concerned about making a profit, Bernick must make careful choices to stay in the black. Considering that it costs about \$50,000 to properly raise and train a single racehorse each year, recouping those expenses requires a safety net. For Bernick, that net is a stable full of fillies. “You have to make \$2 million in purses to make the racing game pay off,” he says. “We try to make up the losses with the values of the horses. The horse business is what I want to do for the rest of my life, so the company has to have a business model that makes sense. As long as the values of the horses go up and are greater than the total cost of the business, that's our benchmark for success.

“And if you have a horse that hits big,” he continues, “it pays for everything. If a horse runs, there's almost no price where it's not worth the money.”



Opposite: A yearling colt with four white feet (a bad omen to some owners) sells for \$1.7 million at Keeneland's annual September yearling auction in 2013. Above: Jockey Gary Stevens celebrates his victory (top) in the Breeders' Cup Classic riding Mucho Macho Man (second and third from top); the Reeves Thoroughbred Racing continent celebrates the victory (bottom) before heading to the winner's circle.



NEARING THE END of the third day of Keeneland's yearling sale in September, a bay filly enters the sales ring. She is sired by Indian Charlie, a Grade 1 stakes-winning horse with a bloodline that connects to Northern Dancer (winner of the 1964 Kentucky Derby and Preakness Stakes and considered by many to be the most influential sire of the 20th century), but she also has connections to Seattle Slew and Secretariat. According to Barbara Banke, who bought a majority share of Curlin after his first race in 2007, this filly is teeming with

potential. Like Curlin, who also had an alluring pedigree, this filly is enticing for her athletic features.

"Curlin hooked me," Banke says. "He never had a bad day or a bad week. He ran in the rain and the sun, in Dubai and in California; he was tough as nails. Most people don't get a Curlin in their lifetime; but now I'm greedy."

At this juncture of the auction—Book 1, which comprises the blue chip yearlings of this year's sale—prices are at their highest for the 12-day event. Bloodstock agent John Moynihan, who buys horses on behalf of his two clients, Banke

Beholder, a 3-year-old filly, sprints to victory in the \$2 million Breeders' Cup Distaff in November.



BOTTOM: BREEDERS' CUP/JAMIE RHODES; OPPOSITE PAGE, TOP: PHOTOS BY Z/KEENELAND

and Bolton, compares this stage of the auction to that of a classic car sale. “You have to keep your standards very high,” he explains. “It’s like looking for a Ferrari. If you don’t find the Ferrari, you don’t buy. We’re always trying to find that great prospect.”

Banke concurs, but when it comes to yearling sales, she prefers to buy horses that fly more under the radar. “In Book 1, you need both breeding and conformation or you will have overpaid,” she says, explaining that in the premier group of horses, an animal’s bone structure, posture, and gait must be



What’s in a Name?

When evaluating a racehorse, there are plenty of factors to consider, including its name.

THERE’S NO END to the strategizing involved in Thoroughbred ownership, and that extends to naming horses. “Different owners have their own taste or philosophy when it comes to naming, and a good number will tell you that they’ll spend an enormous amount of time and thought on it,” says Rick Bailey, the registrar at the Jockey Club (www.jockeyclub.com), the organization that manages (and approves) the names of every Thoroughbred racehorse.



New owners looking to name a horse for the first time will quickly learn that there’s room for creativity, but there are also strictures to the process. The Jockey Club’s rule book lists 17 criteria by which a proposed name will be rejected. These include names longer than 18 characters, names that end in common horse-related terms such as “filly” or “colt,” and names that are “suggestive or have a vulgar or obscene meaning.” There’s also a list of more than 9,800 permanent names that have been retired from use, due to a previous horse’s noteworthy success (either as a racer or a breeder) under that name. There will never be another Man o’ War or Secretariat, for example.

It is a common practice, however, for many owners to choose names for their new foals that cleverly refer to older horses in their pedigree. Alittleoffthetop, for example, was sired by Skimming, Prenup was born to Homewrecker, War Admiral benefited from Man o’ War’s genes, and Secretariats Way, well . . . there’s not much mystery there.

At the time this issue went to press, a number of this year’s Kentucky Derby contenders boasted names with similar references to their strong-running predecessors. Tapiture, for example, was sired by Tapit—a sought-after stallion with connections to A.P. Indy (the 1992 Belmont Stakes and Breeders’ Cup Classic winner) and Triple Crown winner Secretariat. Then there’s Ride On Curlin, who is not-so-subtly named after his father, Curlin, the 2007 and 2008 Horse of the Year. On his mother’s side, the colt is connected to Northern Dancer—winner of the 1964 Kentucky Derby and Preakness Stakes—and Storm Cat, a stallion whose progeny have earned more than \$128 million. Finally, there’s Smarty’s Echo, a colt with an impressive pedigree thanks to his father, Smarty Jones, who won both the Kentucky Derby and the Preakness Stakes in 2004.

It’s conceivable that any one of these three horses could win the Derby, provided they qualify. The one with the best odds? The answer to that question could be found in their pedigrees, but at least for these three racehorses, all you really need to know are their names. —S.T.

“There’s no greater thrill than to own a horse that goes from last to first. It can’t be described unless you experience it.”

—CASE CLAY,
president of
Three Chimneys Farm



as eye-catching as its bloodlines. “In Book 2 you can focus a little more on athleticism over pedigree.

“It’s great to find a diamond in the rough, but it’s better to breed them,” she continues. “We don’t coddle them; we try to toughen them up. We pride ourselves on being able to do that.”

That may sound a bit harsh—like a Cold War Soviet gymnastics training program—but the “toughening-up” process at Banke’s Stonestreet Farm in Lexington, Ky., isn’t carried out through overly strenuous workouts or grueling training regimens. Instead, it happens years before a horse ever meets a trainer; before the horse is even born. It all comes down to calculated breeding, and for Banke, the chairman and proprietor of Jackson Family Wines in Fulton, Calif., the process is not unlike cultivating a vineyard of grapes that someday will produce a superlative wine. If owners want a horse with a competitive spirit—but they don’t want to spend the seven figures to buy one as a 2-year-old—they must first find the horses that embody such a will to win and hope that those characteristics are passed on to their progeny.

Much is left to chance with such a strategy, which is why auctions can be a desirable place for Thoroughbred owners. Plenty can happen from the time a horse is 1 year old until it turns 2 (an age when it will start racing), and how a horse looks as a yearling is not necessarily how it will shape up as a 2-year-old. However, owners buying at auction at least

have more control over the acquisition of a horse in the sales ring than they do over how a horse turns out through selective breeding.

Without question, Banke and her team would love to own the filly currently in the sales ring, but it’s unclear if they’ll end up with her. They’ve set their limit at \$350,000, and once the bidding inches above that it seems clear that they’ll have to move on. “So much for three-fifty,” a Stonestreet staff member whispers to Moynihan, who is sitting next to her. Moynihan continues to survey the horse in the ring and does little to acknowledge her statement.

The hammer hits at \$390,000 a couple of minutes later, and only then, when the bid spotter acknowledges Moynihan near the back of the auditorium, do Banke and the rest of her team learn that their bloodstock agent had pursued the filly beyond their original limit. “*You* bought her?” that same staff member asks in a shocked tone.

Some members of the Stonestreet team have a hard time adjusting to the news, but that doesn’t mean their trust in Moynihan has wavered. Furthermore, there’s a sparkle in Banke’s eye as the filly is led out of the sales ring. “If she runs, you have to come to all of her races,” Banke tells me.

Only time will tell if the filly will possess the talent and the spirit to win on the racetrack. For now, Banke can only hope that she will. But then, hope is the only guaranteed asset that comes with the purchase of a yearling. ☐

With her win at the Breeders’ Cup in November, Groupie Doll increased her career earnings to more than \$1.9 million. She sold for \$3.1 million at a Keeneland auction four days after her Breeders’ Cup victory.