



TUESDAY, DECEMBER 8, 2015

**New Recruits: Bringing New Owners to Racing
(Who Then Bring Their Friends)**

MODERATOR:

Christina Bossinakis: Owners Concierge Director, Thoroughbred Owners Breeders Association

SPEAKERS:

Ellen Harvey: Director, Harness Racing Communications

Sophia McKee: Vice President, Marketing, Emerald Downs

Andrew Offerman: Director of Racing Operations, Canterbury Park

Ms. Liz Bracken: — and it fits in with a very important topic in our industry.

I had the pleasure of listening to our moderator Christina Bossinakis at the simulcast conference this year. She is very passionate about this subject and this is a great group.

Christina was a writer/editor at *Thoroughbred Daily News* for 14 years. You probably have seen her on HRTV and TVG and now in her current title as owners concierge director for the Thoroughbred Owners and Breeders Association.

Like I said, she was really great in the simulcast conference and I think she'll be a great moderator for this panel. I will hand it over to Christina.

Ms. Christina Bossinakis: I'm really excited about today's panel.

It's interesting, because everywhere I go and every time we have these types of panels, often the question is why do we have these panels addressing owners or speaking on behalf of owners?

What I think is it's something that has been the movement to promote owners and to just also give them a better experience really had been picking up steam.

This is not a new idea; we've had owners as long as we've had horse racing, although I do think that in the last few months I've seen from a personal, my personal perspective, that people really have been getting behind some of these owners' initiatives and have been recognizing the importance of giving owners that great experience.

I've been fortunate in the media, I have a very varied background, whether it was TV or as a writer.

I've traveled all over the world to cover horse racing and thoroughbred sales, which really has given me a great perspective in terms of how owners are treated and in different location, different locales.

That's been very exciting.

I am very passionate about it.

I've been speaking quite a lot to owners over the course of the last year since I've assumed the helm of the owner's concierge for TOBA. Some of the things hopefully we'll be able to share.

I can share some of what they've said with you today, and I'm guessing there are some things that they've said that I probably shouldn't share here today.

Regardless, a lot of valuable information.

We have a great panel assembled here today from all across the country.

I've had the opportunity to speak to them.

They have great ideas, tremendous initiatives that they've started at their racetracks and within their organizations.

I think that's gonna be really interesting to hear today.

I'm gonna get right to that and we do have a lot of fun things happening later on this afternoon with the awards lunch and also Bob Baffert's gonna be here.

He'll be speaking a little bit later, too. We have a lot of fun today.

One of the first, actually the first speaker we'll have, we'll just introduce our panel. The first speaker, Andrew Offerman, the Director of Racing Operations at Canterbury Park.

They're doing a wonderful job in terms of their new owner initiatives. We'll just bring him up and have, just have a look at and see what he has to say.

Mr. Andrew Offerman: Thanks, Christina and thanks to Doug, Liz, Wendy and all of you at the RTIP for having us and having this great panel.

Talking about racehorse ownership, Canterbury Park a few years ago, I guess back in the late 2000s, had kind of reached a critical point.

The problem that we had faced with racehorse ownership is that we had enough people that were asking questions that we didn't have the acceptable answers for them, and the answers that we were able to provide to them didn't really seem to lead to any definitive results.

With that, we really had no teaching model planned for how to teach them things that they needed to know about the game.

As most people are aware, the barriers to entry are still very high, including a general lack of industry knowledge amongst new owners, challenging regulatory components to overcome and a great level of risk associated with high expenses.

At Canterbury, the vision kinda became how to treat ownership as a fan education initiative, and the solution was to use our other fan education programs and sorta model an ownership club after that type of initiative.

The key components to that initiative were make something be educational, affordable; extremely important was being transparent in everything that was going on so they knew the full extent of what they were getting into; and lastly, to make it fun.

With that, I will have Paul Allen, the voice of Canterbury Park and the radio voice of the Minnesota Vikings take us on a little bit of a video history of Canterbury as a racing club.

Mr. Paul Allen: Pari-mutuel wagering in Minnesota began in 1985 with the opening of Canterbury Downs in the then rural town of Shakopee, Minnesota.

The facility was spectacular, the excitement was high and the early years were filled with large crowds and good racing.

Minnesotans showed their appreciation for horseracing by routinely drawing crowd in excess of 15,000 people and supporting a 120 day meet. However, the boom years were short lived.

The start of casino operations on tribal land three miles from the race track was the final blow.

By the end of the 80s, purses were cut, days were being trimmed, fewer horses were being bred and the long-held belief that racetracks could just open their doors and people would show up was being proven wrong. By 1992, Canterbury Downs had closed.

But in 1994 a group of horsemen led by Curt and Randy Sampson and Dale Schenian purchased the racetrack, renamed it Canterbury Park and brought a new philosophy on attracting customers while working in partnership with local horsemen.

The days of relying on racing as the sole means of entertainment at the racetrack had ended.

Canterbury Park has always worked hard to both draw new fans to the racetrack and educate those fans once they get here.

Whether it is through extreme race day featuring camels, ostriches, zebras, and wiener dog races or the battle of the surfaces, Canterbury Park has always attempted unique promotions in order to get fans to the facility.

However, since our inception we have always understood that for long-term success we need to convert these guests into fans of horseracing. For more, media relations conduit Jeff Maday.

Mr. Jeff Maday: Fan education has always been important at Canterbury Park. We believe that teaching the skills that allow people to enjoy the game will make them more frequent visitors.

Not only do we provide quality information during the live racing broadcast, but during the off season, during the non-racing season we provide what we call Canterbury College, where race fans can come for free and learn how to handicap the races, how to bet and how to get more involved in the sport of horse racing.

Canterbury College had very humble beginnings. We started with about 40 people, myself and track announcer Paul Allen, teaching how to learn the daily racing form.

That program, Canterbury College, now in its 15th year, has grown to about 200 students per class.

They meet for three months during the dead of winter so that when live racing begins in the spring, they're ready to roll with the tools they need to enjoy a day at the races.

Mr. Paul Allen: Perhaps our most innovative fan education initiative was the founding of the Canterbury Racing Club in 2009.

The Canterbury Racing Club allows interested participants to buy into an ownership experience of a horse for only \$250.00.

This experience comes with educational components regarding cost of training, cost of care, how horses are claimed, how horses are entered into a specific race, and everything in between.

Club members follow the progress of the horse on a dedicated blog that keeps them up to date and allows them to ask questions at any time.

In all, it's an extremely cost effective way to introduce fans into horse ownership.

Mr. Jeff Maday: The Canterbury Park Racing Club began in 2009. The reason I decided to start the club was that after years of answering questions about how to get involved in racing, I found that the results were minimal.

A new owner needs to be able to find a trainer, go to the Racing Commission, get licensed and go through all these steps, while trainers generally aren't great PR people and the Racing Commission is not designed to get new people into the game.

I decided that if we could help people take that first step, get those people that are interested connected with a trainer and other like-minded individuals, they might move on on their own to start their own partnerships or their ownership groups.

After convincing the boss that the Racing Club was a great idea, I found a trainer, Tammy Domenoski, and she bought into this plan where we could have 60 owners that we would communicate with electronically through email, through a racing website dedicated to the Racing Club and just see how things would go.

Now, that program since then has grown to the point where we have 200 individuals involved in the Canterbury Park Racing Club.

The first horse that we had — and the plan was, with Tammy, was to buy a horse and bring it to Canterbury so that it was ready to run when our meet started.

Well, opening night Canterbury Park 2009, right into the Winner Circle with Tahitian Queen for the Canterbury Park Racing Club.

Since then, we've gone great guns. We've experienced a lot of ups and downs like any ownership would, but we've kept the cost minimal.

We've allowed people to get into the game, learn the game, learn how to communicate with trainers, what bills to expect, what outcomes to expect, how to deal with horses after their racing careers are over through various retirement programs, all the things that owners need to know to enjoy the game and be involved in the sport successfully.

Mr. Paul Allen: As the club has become more popular, efforts have been made to help group members go out on their own and start their own groups.

In 2013, Andrew Offerman and Jeff Maday reached out to Ted Grevelis, a local turf rider and syndicate manager, about the opportunity to take over the Racing Club and push the group to the next level.

Mr. Ted Grevelis: I was brought in by the race track in 2013.

Kinda took them outta the process of running the club group. I'd been running partnerships here at Canterbury for three to four years before that.

Also covered the racing here for the *Daily Racing Form*, and we started up, my fiancée and I started up the *Midwest Paddock Report* to cover racing in the Midwest as well.

We kinda, we took that over, we kinda expanded it a little bit.

First year we had over 200 members.

Our goal is to give people a behind the scenes look at what goes on in campaigning a racehorse.

This group named themselves the Canterbury Alumni Club.

What we did is we set up an actual racing partnership for 32 of the members, that they had to have been members of the club in the past and were willing to take it to the next level.

We put together a group for them and we've campaigned a couple of horses this year.

It's been a really interesting process because they've had horses claim for them, they've had a horse that they bought and then sold.

They've really kinda run the gamut, but it's really getting people to move to the next level.

Other people in the club have also taken the initiative among themselves to pull together four or five people and campaign their own racehorse using that network of friends and owners and trainers that met through the club process and have become owners themselves, either individually or in other groups.

It really has started to expand that base a little bit, and we're starting to see a lot of participation from these former just fans getting involved in the process now that they're more comfortable with it.

Mr. Paul Allen: Heading into its eighth year in 2016, the Canterbury Racing Club has allowed nearly 1,000 people to learn about the basics of horse ownership.

We believe that they have had quite a bit of fun in the process.

From the highs and lows of racing to the day-to-day decision making, these participants are now armed with a unique experience and information they can share with their friends and use as they explore a new side of horse racing.

To learn more about the Canterbury Racing Club, follow along at www.canterburyracingclub.com.

Mr. Andrew Offerman: Some of the basics that you might've gleaned from the video — it's set up as a racing club, so there's a one-time entry fee for participants of \$250.00.

That one-time expense covers your entire exposure. If the club were to run through everything, \$250.00 is gonna be the maximum amount of money that they're gonna have to spend to have this ownership experience.

In our particular instance, we get enough people so that the ownership shares each fall below five percent ownership stake, which allows, in the State of Minnesota, to not license those people individually, which allows the racetrack to have more control over what they have access to.

We don't have to turn 200 people loose on a trainer on one given morning and let them try to deal with it for themselves.

Additionally, like they mentioned, it's set up as a not for profit, educational group. There can be no profits from this. If there is a profit at the end of the experience, they vote as a group as to what to do with that money.

That helps us stay in compliance with SEC rules, not be dealing in any sort of investment or security.

Lastly, as was mentioned in the video, all communication and education is primarily done through a free blog platform that allows customers or the club members to ask questions on anything that might come up over the course of a horse's given campaign.

It allows them really a back and forth with the manager of the club, individual access and ability to get their individual questions answered.

Here's just some of the year by year statistics so you can kinda get an idea of how much participation there's been.

It started in 2009 with 62 members, one horse. Horse won two times. As a whole, they lost 25 percent of the \$250.00 they put in.

2010, you can see was a rough year, given the experiences they had. It's the worst year to date, and even then they still got \$100.00 of their original \$250.00 investment back.

I was involved in the management of the club on a regular basis in 2012 and 13, and in 2012 is when we decided to sorta try to take it to the next level in terms of getting additional participation.

We removed a previous limit of 60 people; we got up to 165 people in that first year.

2013 and 14, you can see it continued to grow to 180 and then 202 members, respectively.

2014, the best year to date, we were able to get two different horses throughout the year for them. They visited the winner's circle six times as a group. The grand total cost to them at the end of the day was \$36.00.

2015 still has a group that's ongoing.

At the bottom, you can see during the lifetime of the club there's been 886 different members.

They've bought in for close to a quarter of a million dollars and they've been lucky enough to win 32 percent of their starts.

Some of the lessons that we've learned over the course of running this club is that setting the proper duration of the club is an important step.

Originally we tried to start at the beginning of the Canterbury meet and end at the end of the Canterbury meets.

One of the challenges with that was finding a place for the horse to go after the meet was over.

We've kind of extended that duration out to give us time both at the beginning and end of the meets, to find a place to drop the horse maybe for a claiming price so they didn't get claimed from them, or to find a market.

There might be a trainer going somewhere, say Chicago, that the horse has more value than it would if it's still sitting in Minnesota.

That's one change we've made over time.

Finding the right trainer, again, is a key component. They have to be willing to put up with a lot of questions and answer a lot of individuals' questions multiple times.

The highs and the lows obviously can be a challenge, as well.

They've dealt with everything from a horse that was retired due to injury to a horse that they lost via claim for \$5,000 that has gone on to make over \$100,000 since it was claimed away from them. They've really had all types of different experiences.

Again, conversion from a club member to a full owner to a partnership is challenging. We've not solved that issue, as you can see. We've come up with a new alumni club in hopes of trying to help move them along.

Last, for us there's been a lot of unforeseen benefits to the race track.

We have 200 people that are walking around on a regular basis that can answer questions about horse ownership that couldn't before.

They can bring their friends to the race track. Every time their horse runs, there's an extra 500 people in the place that weren't there if they weren't running a horse.

We've gotten full-page media coverage from the local paper about the ownership group.

We actually had one of the horses bought out of a club by a person in Minnesota that then bred that horse and has a foal running now in Minnesota as a Minnesota bred.

A lot of unique things have come that we weren't expecting as part of this racing club.

If you wanna learn more, I encourage you to visit the blog CanterburyRacingClub.com. You can sign up to follow along.

Every single blog post that's ever been written about any horse that they've ever owned back to 2009 is available for you to look through there.

You can see everything that they've gone through.

I'll be around to take any questions afterwards or talk to any of you that might have individual questions.

Jeff Maday, whose idea was originally to start the racing club, his contact information can be found on the screen.

Thanks.

[Applause]

Ms. Christina Bossinakis: That was a wonderful presentation by Andrew. Really, this — it's a great segue now into our next speaker, and that's Sophia McKee.

Sophia I know actually from Monmouth Park, but she's currently the Vice President of Marketing at Emerald Downs. It'll be interesting to see — I'll let her fill you in on what they're doing at Emerald Downs, because it's a very nice progression from what Andrew had to say. Sophia?

Ms. Sophia McKee: I let Andrew go first because Doug said earlier the best speech is short. Imitation is the greatest form of flattery.

We saw what Canterbury was doing and said, "We can do that!" I hope that everyone in this room hears what we say and goes, "I can do that." Because going to these symposiums and conferences, you want a take away, right? I'm hoping that we're giving you something that you can take away.

The models that we have in place can be implemented anywhere, and I'm sure we'll get into it later with the discussion on where it goes with the future.

Whether you are a race track, whether you're an ADW, whether you're an owner's organization or a horseman's organization, there is a lot of potential here.

Us, like Canterbury, identified that we had a horse shortage, but more importantly we had an owner shortage. How are we going to address that?

Typically, the race track would not take on that role, right? I mean, you look to TOBA, you look to the other organizations that have taken on that role of being the owner's voice.

But the racetrack has unique resources and assets that none of the others have.

We have a full-time media staff that's always hitting the barns.

We have the marketing resources and we have the audience. That's the biggest thing.

We also have credibility, which some of these other alphabet soup organizations don't have or the racing fan has no idea who you are.

The Emerald Racing Club is an incubator for new owners. This fabulous looking couple is in our racing club. That's Stacy and Stacy. They are now gonna be the stock photo for all of our promotional materials, cuz they look fabulous.

We had similar good luck with our racing club. We started last year, 2014. This is Dancing Yodeler and our first victory. Like Canterbury, our goal was to create a low-cost, no-risk introduction to race horse ownership. Similarly, we had a flat fee, \$500.00.

The Emerald Downs marketing budget guarantees any additional fees past — like, say we go over budget. That's not gonna happen.

Ours was twice what Canterbury was because to be licensed in Washington State we had to license every single individual, which was \$108.00.

Of that 500, 108 went directly to licensing.

You talk about side benefits? Our racing commission is thrilled with us because we directed a lot of new licensed owners and consequently they did not have to increase their licensing fees — you're welcome, Doug Moore — in order to balance their budget for the upcoming year.

100 percent of the money is returned to the members at the end of the season.

We also are set up as a not for profit club.

You buy in at \$500.00; anything up to \$500.00 is yours.

We're giving back \$403.00 this year.

Say for example we got really lucky and had a return, then they would vote on what charity they would want it to go to.

We always push the retired race horse charity.

Where we are different than Canterbury is because they are licensed owners they get free parking for the entire season, they get free admission with their license for the entire season — and by the way, Emerald Downs charges seven bucks to get in, so — and \$7.00 to park, so that's significant savings value.

We give everybody two guest passes. They get all the privileges of a licensed owner.

Andrew mentioned a little bit of nervousness about 200 people descending on a trainer's barn; we let that happen, because we know that only about 25 percent of those owners in the club are gonna take advantage of it. Not all 200.

We also work with a trainer that can manage it.

As you saw in the first picture, they have a lanyard that identifies them and all our staff is instructed to know who they are, as well as our horsemen.

Our initial results, my target at \$500.00 I needed 50 people as my tipping point to make the program work. I got 128 in our first year.

This was only advertising to the existing Emerald Downs database in the middle of winter, in January, and only through our email blast of our 20,000 people that only has a ten percent open rate. That's the audience that I was hitting that resulted in that.

We also made the front page of the Seattle Times sports section, similar to Canterbury.

Got great media coverage.

As a result, I had a waiting list of 100 people long for 2015.

We saw about 60 percent — 50 to 60 percent of our owners from 2014 re-up for 2015.

Right now I am on track to go over 200 for 2016. As I solely manage the club, I'm getting gray hair, but it's okay.

One of the things — these numbers look really, really fabulous, right? You get really, really excited.

The reality is, as Andrew was mentioning, the conversion rate from club member to real owner is a little smaller.

We are seeing 10 to 15 percent of the people in the club continue ownership on their own.

It is typical in the form of syndicates.

When we sell the club horse, we give first dibs to anyone that wants to create their own syndicate, campaign that horse at Emerald Downs. That's what we've been able to do.

Dancing Yodeler, the first year, was bought by 12 club members that continued and raced him the following season.

He got claimed out of his first start. They claimed him back and he had an injury, and so we had a great, huge retirement ceremony for a \$3,500.00 claimer because of what happened.

The other horse that first year had a sesamoid injury, and she was actually adopted by one of our club members as a riding horse.

I want to mention our poster child, because he's — this is the result you want.

Jim and Mary Beth Perkins we have nominated for the Jockey Club New Owner of the Year Award.

2014 was their very first year in the club.

Their investment was \$500.00.

In 2015, their second year of horse ownership, they invested over \$470,000.00 in purchasing horses. That's incredible. Lets' talk about the horses they went out and purchased.

They went to Keeneland from little old Seattle.

They purchased Bell Hill, who swept our stakes division and then went on to win a grade three.

Glorious Angelo also stakes place.

Waltzing is a two-year-old filly by Candy Ride, Hoover Heart, Sahara and two unnamed yearlings.

They took what they learned in the club, made the connections and had the confidence to make a substantial investment in the racing industry.

Now, are you all gonna have a Perkins in your club? Probably not, but it's the basis and you have to have an avenue for them to get involved.

Without the club, they never would have become horse owners or even worse, they would become horse owners and perhaps gotten in with the wrong people.

When I go back to credibility, the race track can be that point of credibility where they can trust the people that we're putting them in contact to get involved.

Let me tell you, we've talked about it in some of our phone conversations.

One of the hardest things is dealing with, as a track, we need to pick the right ambassador to represent horse racing to the new owners.

That might not be your leading trainer.

It might not be your leading rider.

You have to find the right person that can welcome those new people but then also, if they continue on, they're more likely to do it with that person or that person's extended network.

It has to be someone you can trust that they aren't gonna have a bad experience once they leave the club.

This was from Vicky Wilson. I'm not quite ready to become a race horse owner, but it's certainly something I can see in my future.

What we found with the club is we have the 10 to 15 percent of people that are owners that get introduced to the club, pursue ownership on their own.

We have about 15 percent of lapsed owners. That's another category that we don't actually give much attention to.

The people that were in horse ownership, got out of it, but have that knowledge, just not maybe the finances to get back into. We create an avenue for them.

Then you have another 30 percent or so that are racing fans, gamblers that are looking for the information to further their education.

Then you have the people in it just for the fun, because granted we're giving away a huge value for a small amount of money.

Then finally we have about five percent that have it purchased for them as gifts.

Darryl was talking about 1,000 shares for 50 bucks each. Brilliant idea, I love it, because you can give it as a gift. We also see them giving it as a gift with the club.

However what we found is that if it's been given as a gift and it's not the individual opting in and paying for the experience, they're not quite as sophisticated with their knowledge in what they're learning to be able to continue it on.

It's more like a hobby. Not hobby, but somebody bought you a club membership at the golf course and you don't know how to play golf, but you go.

We look at the future — as a result of our success, the Washington Thoroughbred Breeders and Owners Association has launched a brood mare club, because there's also a small group that is interested in the breeding aspect.

I'm not sure if they're gonna meet their threshold for what they need, cuz they have to do two years, obviously, to be able to raise a foal and a yearling.

Where we see the future is just this continued bridge in the section between not knowing anything and getting into ownership.

Because the next step is to get outta the club, as we know — it's hard to get them out — and get into a syndicate.

There's already that next step waiting for them, if they're willing to take it.

Where I see it going is if you could look at it nationally, can you imagine if like the ADWs launched their own ownership club and the horse is racing the silks of Express Bet or Bet America?

It's incredible good advertising.

Any of your customers in that particular state could perhaps own that horse and then go out to the track and watch that horse race under their silks.

It gets them invested, and then they'd be betting on it.

Our group of owners didn't even know that they could bet online. It came up when they said, "I'm not gonna be at the races, can I bet Dancing Yodeler?"

I was like, "Gosh, you guys are more advanced than most, and you don't even know you can wager online in Washington State."

That's where you can take it. HBPA could form a group. I mean, they're representing trainers, right, and trainers are looking for clients.

This is super simple, and it doesn't cost anything other than a human resource and their time.

The club is entirely self-sufficient when it comes to the finances.

The amount of money and the members controls the budget and controls what's paid out.

It doesn't cost anything.

I don't wanna hear any excuses from anybody, we can't do that, because you already have all the resources in place as a race track to do it.

You just have to pull the trigger.

I can give the tools and Andrew can give you the tools and Ellen's got a great program, too, that I'm gonna steal some stuff from, to enact it. Or make it better, because that's where we like to take it, is make it better.

We see what Canterbury does, we make it better for Emerald Downs.

You see what we do, make it better for yourselves. That's it.

Thank you.

[Applause]

Ms. Christina Bossinakis: Sophia made some wonderful, actually some really wonderful points.

Actually, she also mentioned Ellen.

Ellen Harvey, first time I met her, first time I spoke to her was a couple of weeks ago.

Very informed, obviously she does a great job and she's the Director at the Harness Racing Communications.

One thing that I've, what I've realized is as a sport, Thoroughbred horse racing, we're not alone.

There are other organizations like Harness Racing and I think that we could all learn something from each other.

We're gonna welcome up Ellen and she's gonna give us a short presentation.

Ms. Ellen Harvey: Thank you, Christina.

I would note that while I work for a tiny little group called Harness Racing Communications, we are — used to be called the Offshore Division of the United States Trotting Association.

Our breed registry, the equivalent to the Jockey Club if you will.

We're actually, I think we were idea number 37 this morning, myself and one of my colleagues, our primary responsibility although we do have others, is the production of vast numbers of feature stories for the mainstream media that certainly appears in our trade press as well, but that is we're primarily item number 37 this morning.

I do have a few hats, and one of them is that I help to participate in our owner education program. You guys must be real tall, cuz I can't quite do that there.

We do not own any race tracks. We're a breed registry.

We're not a racing commission, we're not a horsemen's group.

We have to kind of tread in a few different areas.

We have taken a multipronged approach.

We try to not only educate, recruit and retain people; we take a variety of ways to do that.

One of those ways is that we have for quite a number of years had one day or even half a day seminars.

My background before I started working in harness racing was as a teacher.

I have an undergraduate and a graduate degree.

I think a good way to help people to have knowledge is to set out a lesson plan and figure out where they're starting and where you want to end them up.

We have had these at a variety of tracks, from California to Maine to Florida. We are primarily concentrated in the Northeast and the Midwest, but we've had dozens

and dozens of these seminars. Most of them are of an introductory nature, horse racing 101.

We cover things just like what can go right, what can go wrong, what do bills look like for horses at different kinds of levels.

We also from that are able to glean a certain number of people every year that are either alumni of that year or previous years that realize that you're probably not going to win the Hambletonian, one of our classic races, with a ten claimer.

They wanna really shoot for the long ball and try to play at a very high level, so to do that you generally need to buy a yearling.

We usually have one or two yearling seminars a year as well.

We have a nice little advantage that we try to use to our advantage and that is that our horses are, as a breed, smaller than Thoroughbreds, little less drama, generally, in their personalities.

You don't have to be 110 pounds to train them or drive them. That helps quite a lot.

We have actually had two amateurs win our classic race, the Hambletonian, and one of our speakers at the previous panel, Mr. Siegel from TrackMaster, has won hundreds of races and started out as an amateur driver.

If you are reasonably fit and horse savvy, you can learn to train and drive a horse.

For 17 years, we have had an annual driving school alternated at a couple different places. It's about four or five days in length.

We have actual hands on, mucking stalls, cleaning water buckets, putting harness on in the morning and sitting behind a horse as well. In the afternoon is more classroom sort of work.

At the end of those four days, the folks that participate in that have the option to take the written part of the test, the very first level of trying to get your license as a driver.

Almost all of them opt to take it and almost all of them in fact pass.

Far more difficult is the practical part of the test, but we hope that they will go onto that.

We believe that the owner — the driving schools, rather, while they certainly do provide a large element of education, many, many of the people that come in are already existing owners, but they are people that wanna know more, that wanna

maybe do more, that don't wanna just watch their horse from the grandstand anymore.

They wanna be down there in the paddock and perhaps even getting to the point that they can warm up their horse or even drive them themselves.

We have a lot of folks in our sport that have their race horse string and then they have their amateur string.

Sometimes the race horses that you think were gonna make money end up being the amateur horses, but you certainly hope that that doesn't happen.

It is a reason for people to retain their interest and sometimes even expand their interest in their sport, because our horses and our sport is set up such that you really can participate.

You don't have to hire somebody who weighs 110 pounds to drive your horse for you. We have also in the last few years working with some tracks as well as some of our employees that have contacts in different outlets set up a framework, kind of a tool kit as it were, for fractional ownership.

Again, we don't own a race track like — well, Sophia and Andrew, I don't think they own those race tracks where they work, but — we don't have a race track at our disposal, but what we can do is give folks that would like to start fractional ownership a tool kit for doing that.

I do have with me some documents, some sample budgets, some sample operating agreements and a step one through 15 how to set up your stable if you'd like to get that. I'm happy to share with that — with you — as well.

If you wanna punch in a few digits on your cell phones right now, you can go to Facebook and like the Summer Slam stable.

We actually have a stable going right now. The horse's name is Ashes and Dust, and he raced yesterday.

I'm asked to inform you of this, by the stable manager, that they still have four spots left since the horse has only raced twice they're gonna let folks buy in in the next couple of weeks.

For those that don't wanna join anything, that don't wanna go to a driving school, that are — wanna lurk, we have a pretty rich web site at owners.ustrotting.com that contains pretty much all the information that is presented in person in the other three events.

In the one day seminars, it's maybe not all you need to know but it's the start of what you need to know. We really try to stress with folks that you gotta — that the

federal government treats this like a business as far as taxes are concerned and you need to treat it like a business, as well.

You have to make a decision about how much money can you afford to spend and possibly not see again.

You need to make a business plan that fits your lifestyle.

If your job is such that you really wanna be able to see your horse race but you can only get there on Saturdays or the weekends, then you need to get generally a fairly high-level horse.

If you want to be able to take your kids and the Brownie troop and what have you down to the barn on Saturdays, then you have to have a trainer that says, "That would be fine.

I wouldn't mind having a dozen small children in the barn asking questions and sticking their fingers in stalls."

We really kinda stress that you need to match not just the finances and the business part of it but with your lifestyle as well, and what you think you wanna get out of this.

We try to give them tools for using their due diligence to select a trainer that again, as Sophia mentioned, it may not necessarily be the person at the top of the list.

You have to look at what kinds of horses do you think you wanna own and who seems to do well with that?

Our friends at RCI have been very generous in the past to some of our alumni that for no or very small money they will run a search of that person's violations.

It's hard to give hard and fast rules sometimes, but what we often tell folks is that if there are a whole bunch of violations on there with pretty big numbers next to them for dollars and days, then that's a bit of a red flag for a lot of reasons and maybe you oughta keep looking, or at least ask that person about that.

We try to build in a little bit of a wow factor. We take folks who have never been on the back stretch into the back stretch on the bus back and forth from the paddock to the stable area. Sometimes they see a leading driver or trainer and we always make sure to introduce them.

We also usually try to have a high profile owner and also somebody who may just be the principal at the local high school who owns half a horse with their brother-in-law, so that folks can see that you don't have to be a multimillionaire to do this, you can just be a — somebody with a regular job who happens to have a horse on the side.

One really valuable tool seems to be taking that stable tour and asking the trainer in advance — and I will echo what Andrew and Sophia said, that it's so important to get somebody who's not only skilled with horses but a good communicator as well.

We ask them to pick out case histories out of their barn. Tell me about a horse that you bought that you had plan A, B and C with and everything went just perfectly. A, B and C and in fact we got some bonuses along the way.

Also, tell the folks about a horse that you had a business plan for and everything went wrong.

What adjustments you made and how it worked out and how many things did you have to try before you found the right piece of equipment or settle into the right conditions? So that they get a taste that there — this is not a formulaic pursuit at all.

Over about eight or nine years, we've had 700 people take these educational events and track them through their membership in our association, cuz we are a membership association and we also record all the data for race horse ownership and transfers and horse performance and what have you.

We've had about 20 percent of them eventually buy a horse. I think it's also an important distinction that you didn't see 20 percent the first year; we didn't even see 20 percent in the second year, but many, many folks come and dip their toe in the water to find out well, how much does this cost and how risky is this?

Maybe this is something I can do when the last kid is out of college or I've sold my business or things in their life change so that they're in a better financial position to do things. They remember that information and do eventually take that step.

A wonderful, nice benefit of all of that that we looked at was how many of those people buy more than one horse and how many of them bring in their next door neighbor, their brother-in-law, their partner in the law firm or whatever.

That historically has been a little more than half of them eventually bring in a new person.

We haven't had a lot of grade one winners, but we've had some state bred finals, some folks that have won state bred finals.

We've also — and this would go to the point that my co-presenters have said, is you've gotta be able to help people for the long term.

We've had folks who had a pretty nice filly or decent filly that two or three years later they think she's not gonna race any more, I think I might wanna breed her.

What in the world do I do? We almost need another club or another educational experience for them, or at least somebody that they can call to say, "What should I

do? I've got this six-year-old mare, now I think I'd like to breed here but I don't have the first idea where to start." I think that speaks to the importance of not just being a one-off kind of deal.

You've gotta be prepared to commit to educate and assist these folks for life.

At driving school this next year, 2016 will be our 17th year of doing driving school. We've had about 800 people of all ages.

Again, you don't have to be tremendously fit and very small to participate with our horses. Many, many people, as I say, have taken the written licensure and gone on to participate, either as an amateur or there's actually been a few young people that have gone up and gotten the highest level of licensure.

Again, we think this is really important for retaining and also expanding those folks' involvement. We're also doing — our first event of next year is going to be a three-day school down in Florida taking advantage of the fact that most of harness racing takes place in the Northeast and the Midwest, and they're going to southern Florida in February.

I guess you could write it off if you eventually bought a horse, right?

It's going to be a more in-depth owner's school with again time at the stable in the morning and in-depth classes on making a business plan and tax consequences in the afternoon and also an excuse to get to Florida.

In the fractional ownership, we have a tool kit so to speak that we're happy to share. This is what has evolved over time.

It has taken place at anything from fairs in Wisconsin, actually, where folks can get in at the \$50.00 level, to some of our pari-mutuel tracks.

Right now the horse that's racing is racing at The Meadows, which is outside of Pittsburg. Those buy-in levels if you were are more like \$350.00. We do have an operating agreement. It has, as I say, evolved over time.

It has worked for these particular groups, but maybe something else is more suitable for you.

There have been about 218 participants over those three years. Keeping track of those folks right now, about four of them have bought a horse.

I would predict based on experience with the owner's seminars that you'll — that number will grow in the future, that more and more people will get to the point where they're psychologically or financially ready to become an owner and will take that step.

For the folks that don't wanna leave their house, that maybe they bet and watch races online or they're not real social, they don't wanna be part of a larger group experience, we have a pretty rich website that contains information on all those kinds of topics at owners.ustrotting.com.

We have to have a way, of course, to reach those people.

Again, we don't own a race — don't have a race track and a program readily available, but we, like Andrew and Sophia believe that probably our most likely customers are people that are already fans of racing.

They've got some money to risk, or they wouldn't be attracted to racing and they've got some tolerance for risk.

They bet two or ten or \$2,000.00 and they lose it, they might not like it but they tolerate it.

We have a — our biggest social platform, which you'll probably hear more about a little bit later today, is Harness Racing Fan Zone on Facebook.

We have about 40,000 followers there. We have a pretty active web site.

We try to reach people of course through the race track but through all our existing platforms as well.

Another strong outlet as well is existing owner referrals.

Almost always at one of these seminars that I've taught there's somebody there that says, "I wanna buy a horse because my next door neighbor had one, but he said I have to take this course first before he'll take me on as a partner."

We try to look to every possible outlet.

That is what I have to say, and please see me a little bit later if you'd like this tool kit.

Ms. Christina Bossinakis: Wonderful presentations. We have about ten minutes left, and we'll just go quickly through a couple of questions.

I just wanted to add a couple of things to what my peers were saying just a moment ago. Not only for bringing in new owners there — I'm gonna actually, we'll get into that a little bit more — where do we find, where do we source these new owners?

Also, I look at it a little bit from the TOBA owner's concierge, from that perspective of taking care of the owners that we already have.

That's important.

Some tracks do wonderful jobs with that.

Other tracks, they probably wanna do a little bit — they wanna beef up their resources and their hospitality at those tracks.

We actually, you mentioned that owner view, they have their conference in January, and that's at Gulfstream Park.

That's a wonderful, really a source and a tremendous resource for owners, new owners and also the TOBA concierge, we're actually gonna be launching a VIP program at Gulfstream Park.

It'll be starting with Gulfstream Park the first of the year and we hope that we can branch off into other, to other race tracks and basically give people the existing owners a little bit more perks, because that's really what essentially what owners want.

They wanna be treated special.

What I wanna ask the panel, I'll throw this out generally, in terms of sourcing these new owners — and Ellen, you touched upon this. We've discussed this before. Do you think that pretty much we stay within the horse industry, whether it's Thoroughbred, Harness, or do we need to go to other sources, other resources beyond that to get new owners?

Ms. Ellen Harvey: I would say that we're certainly open to all ideas anywhere, any time.

I think that if you don't have an unlimited budget to advertise in the *Wall Street Journal* and places like that where there's a lot of high net worth individuals, you have to pick the low-hanging fruit and the fruit that is most likely to be interested in what you wanna do.

Personally, I think that that has been primarily racing fans.

I will say that in the past we've done a minimal amount of outreach to folks that have pleasure horses, that have said, "You're putting in a lot of work, a lot of money taking care of these horses and getting a blue ribbon and \$25.00.

Would you like to do the same thing and make maybe a lot of money?" I can anecdotally recall really only two people.

Certainly there may be more than that in real life, but that — my experience has been that the most fertile ground is our racing fans.

Ms. Christina Bossinakis: I didn't know if you had any more comments. I actually, lately I — I actually went up to, in terms of Show Jumping, you mentioned

the 50 cent ribbon or the — with minimal, it's a huge investment and they get so little out of it.

It's mostly prestige.

Horse racing, we've noticed or we've realize that it really is the perks.

I actually spoke to George Bolton, major horse, race horse owner. He was telling me that it's just, it's all the experience and really just bringing in your friends.

Your friends will come.

You have a good experience, they'll bring their friends and then their friends will, hopefully they'll have a great experience and maybe they can also get going with that.

One other question that I wanted to ask the panel, and in terms of addressing the ongoing education. What I gleaned out of all three of these presentations were comfort, getting owners to be, to feel comfortable, and also educating them.

In terms of giving them that continuing education beyond that — whether they were registered, first registered as owners or foals, and then going forward — how do each of you feel about that?

Maybe Andrew, if you wanna address that?

Mr. Andrew Offerman: Sure. I think that one of the things that we did was trying to find an outside entity that could participate in our club so that they had a resource to go to beyond us.

We've seen the benefit, as I sorta spoke to, regarding how these people become their own ambassadors.

They have the basics to teach the completely uninformed.

The person that we've put in charge of the alumni club has more information to share with them regarding specific partnerships.

We at least tried to formulate that plan to get people from the complete novice to the beginner to the intermediate to the advance.

Ms. Christina Bossinakis: I think a point that Sophia made a few moments ago which was actually a question or I was gonna go in that direction in this Q and A or section, was — or portion — is that in terms of investment and how much it costs to get one of these programs going and the upkeep.

Sophia, if you just wanna address us, you touched upon it earlier.

Seemed very passionate about it, too.

In terms of investment, just to underscore the fact of how much does it cost? How much does it, in terms of upkeep, and also to keep this thing going?

Ms. Sophia McKee: Yeah, well, let me first ask — how many of you own race horses? Not a ton. Okay. I've never owned a race horse, either. Yet I had to run the blog that talked about owning a race horse.

It cost zero dollars for the track, and we made incrementally more from all of the people attending the races.

Our attendance goes up 300 to 400 people every time that horse runs.

Those people that are coming are booking group events and parties because they've experienced our group event room.

They are going off our farm that we do our farm tours at, all volunteers, to have open houses.

Really all it takes is my time. You would think with 180 owners I would be inundated with emails every day; I get five a week. That's it, of that many people.

I post a blog once a week, which is not that much and not that much time. It only takes one human resource and a human resource that if they don't have the answer will go out and get it.

Because I didn't know a darn thing about horse ownership, or if we had a vet have to do radiographs or do an ultrasound, I had to go talk to the vet and find out what he was talking about and then translate it to laymen's terms for people to understand. That's it.

It doesn't cost anything. Free admission, that doesn't cost you anything. Free parking? So what? Your parking lots aren't full. You can do it.

Ms. Christina Bossinakis: We see Sophia. She holds back. She doesn't tell us what she's really thinking here.

Mr. Andrew Offerman: I would just add to that the one expense that Canterbury put into the program historically was to have a legal person write up an original group agreement, which I will give to anybody that wants it free of charge.

Ms. Christina Bossinakis: Can I just say one thing? I've been dealing with race tracks now and hospitality and also various race tracks across the country for a few different initiatives. It is amazing how helpful and generous they are of their own resources with other race tracks.

I'm really, now, is this the case with every race track? Maybe not. However, I've dealt with several race tracks where they're only too happy to share the experience and things, the lesson that they've gleaned out of their own experiences.

I think that's great, guys, because I think that's really what race tracks need to do. Cuz we're all in it as a team. If one aspect of the game fails, the other — the rest of us are in trouble. I think that's also wonderful.

I think a couple of initiatives we had talked about previously with Ellen — Ellen had mentioned the driving school.

That actually, I'm thinking I'm — I might, I may do that. That's bringing back my dream of being a jockey, which was dashed when I was 12 years old.

Also I know Andrew; you had mentioned previously on our conference call that you have some initiative, the school that also — that brings some new owners, through that avenue as well.

Mr. Andrew Offerman: Yeah, the handicapping school, correct.

Yes, we do do handicapping classes as were mentioned in the video and really in our first attempt at creating an ownership club, we marketed solely to people that had gone through the handicapping school.

One really does lead to the other.

Ms. Christina Bossinakis: Wonderful, all wonderful not only race tracks, they're really ahead and they're doing well with these initiatives.

We're just about out of time.

There is an awards luncheon just in a couple of moments. Bob Baffert will be there, and he will be expect — accepting the award on behalf of Team American Pharaoh.

I know he'll also be speaking a little bit later on this afternoon, so that's gonna be very exciting.

Just give everybody a warm hand here.

They've done a great job.

Thank you, folks.

[Applause]