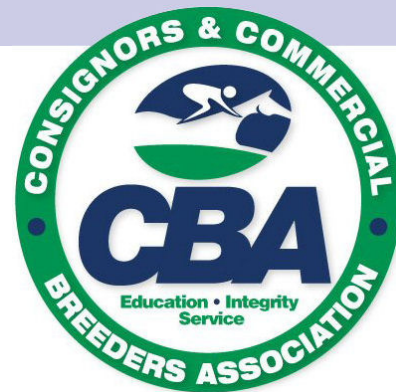


Membership Newsletter

Spring 2011

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Welcome New Members

A & A Ranch
 Allied Bloodstock
 Cooper Thoroughbred Mgmt.
 Joe Dodgen
 Travers Manley
 Mulholland Farm
 Oak Lodge USA
 September Farm

Welcome New Preferred Providers

Lexington Equine Surgery & Sports Medicine
 (Dr. Bill Barnard)
 4270 Georgetown Road
 Georgetown

PBI Bank
 2424 Harrodsburg Rd.
 Lexington

State of the CBA Union

by Neil Howard

Since the emergence of the CBA, committee work has been key in the major sales and legislative accomplishments that have benefitted every industry participant. This committee work continued in earnest in 2010 and moves ahead in 2011.

Veterinary Committee

Over the past year the CBA, in cooperation with the AAEP, KAEP, KTA, NATC, OBS, SIP, TOBA, Keeneland and Fasig-Tipton, worked toward creating an acceptable format for x-ray reports. After several meetings, the groups ultimately determined that consignors may continue to show x-ray reports on the sales grounds which were prepared by their vet. However, in order to increase the integrity of the reports and the use of a more standardized terminology, it was agreed that logging the reports in the repository and stamping the copies shown on the sales grounds would be an important control in the process. The results of these efforts are intended to significantly reduce occurrences of unethical behavior without disrupting the normal flow of use of vet reports at the sales. All parties involved in developing this procedure have worked very hard to improve the system which is expected to continue to be refined while it is being implemented.

In the months ahead, a blind review, comparing repository x-rays to submitted reports, will be conducted. The objective of the review is to create

standard report terminology, and a self-policing mechanism to improve a tool both consignors and buyers benefit and rely upon.

In the future, these reports, standardized in both form and language, will be critical for future long term studies researching the significance of various radiographic findings in yearlings with respect to their effect on a horse's racing performance. In addition, the veterinary report changes may lead to future changes in Conditions Of Sale. The CBA continually looks for members' feedback on all such matters.

Sales Issues Committee

The Sales Issues Committee worked hand in hand with the Vet Committee concerning the changes made to the repository and the x-ray reporting procedure. Additionally, this committee was a significant resource and voice in further reforming the Keeneland September Sale Format which debuted in 2010.

Membership Committee

Lowering membership dues has been a long time goal of the Membership Committee. This year we operated under a new lower dues structure. The CBA hopes this new structure will allow for more breeders and smaller consignors to participate and have their seat at the table.

Additionally, the Committee chair, Martha Jane Mulholland, worked diligently to expand the CBA's list of Preferred Providers. With 2010 additions, 20

vendors now offer members their products and services at discounted rates. Very importantly this year, the CBA



Neil Howard
CBA President

was able to reach out to the banking community in hope of finding help for our members. As a CBA Preferred Provider, PBI Bank could offer very beneficial banking products and services to our members.

Education Committee

The Education committee added another helpful and insightful booklet to the "Plain and Simple" series of printed educational materials. This booklet titled "Vetwork—Plain And Simple: Glossary of Veterinary Terms" helps buyers and consignors have a better understanding of common terminology often seen on vet reports. A further intention of the booklet is to dispel both myths and fears surrounding some veterinary terms that occasionally appear on vet reports at the sales. Many report terms should not scare purchasers away from a young racing prospect. While there are varying degrees of severity in all veterinary findings, this booklet will help bridge the gap between terminology and understanding of many common conditions—conditions which many young racing prospects have been able to overcome. Furthermore, with regard to findings on (cont. p. 2)

The CBA Endorses Hay Scales And Advises Practical Purchasing Checks

From time to time we will hear about some cost saving practices that may or may not be in place when making purchases for your farm. A case in point that has been brought to our attention pertains to the purchase of hay and straw. These are some points that will help to ensure that your hay/straw supplier is providing you with everything you are paying for.

Some points to consider:

1. Hay should be purchased with weight in mind. **A bale is not a unit of measure.**
2. A load of hay/straw should be weighed locally at a certified scale full and then empty. Any tarps, equipment, or men on the full load when weighed should also be on the truck when weighing empty.
3. Be sure your supplier has an active Kentucky sales tax number. Confirmation that it is active can be checked by calling (502) 564-5170. If the tax is not collected, or if it is collected but not remitted to the state, it is legally the farm's liability to pay the tax.

We suggest that all farms take a look at their hay/straw purchasing practices. Ensuring correct purchases will likely lead to significant savings for the whole industry.

There is a program being implemented that will help keep all of the hay and straw suppliers accountable. It is being endorsed by the Kentucky Thoroughbred Owners and Breeders, the Kentucky Thoroughbred Farm Managers Club, and University of Kentucky Extension Services. The challenge in doing this is that it will require complete participation by all of the farms in the area in order for it to be successful.

If successful, this will entail **every** farm requiring their hay/

straw supplier to weigh their load at one of five certified scales (see attachment A) in the central Kentucky area. There will be three scales located in Fayette County. There will also be scales in Woodford and Bourbon County. These

period of time. The simple answer to someone who seems offended by the lack of trust is that this isn't something that just your farm is doing. This is something that local farms are doing collectively.

| BLUE GRASS GRAIN INC. 333 HENRY STREET LEXINGTON, KY 40508 (859) 253-2985 | | INVOICE 0040 | |
|--|-------------------------|---|---|
| 30240 | 1:33 PM 04 08 11 | GROSS | AMOUNT |
| 22740 | 3:22 PM 04 08 11 | TARE | TAX |
| 7,500 | | NET | TOTAL |
| BUYER | FARM NAME | TONS | P.O. |
| ADDRESS | ADDRESS | PRICE | DATE 4/8/11 |
| COMMODITY | COMMODITY - HAY - STRAW | DRIVER | DRIVER |
| TRUCK NO. | TRUCK # & TRAILER # | RECEIVER | RECEIVER SIGNATURE |
| WEIGHER | SIGNATURE OF WEIGHER | TARPS | CONVEYOR |
| | | ON <input checked="" type="checkbox"/> OFF <input type="checkbox"/> | ON <input checked="" type="checkbox"/> OFF <input type="checkbox"/> |
| | | ON <input type="checkbox"/> OFF <input type="checkbox"/> | ON <input type="checkbox"/> OFF <input type="checkbox"/> |

scales will be certified through the KDA's department of weights and measures. In addition scale houses will be bonded and checked regularly to ensure accurate weights. All hay vendors who weigh at these scales will be given a uniform ticket that includes a loaded and unloaded weight, as well as additional information like the time and date that the truck is weighed and information on whether the truck contained tarps, hay conveyors, or additional help. Things like tarps may not seem like a big deal but over the course of a year a small discrepancy like whether tarps were on or off can really add up.

It is likely that demanding all loads be weighed locally could cause an awkward situation for an Owner or Manager who has been dealing with the same supplier for a reasonable

There is a reason that this program will include 5 different scales throughout central Kentucky. It should not be too inconvenient for anyone supplying a local horse farm. If the program is successful, it is also likely that more scale locations will be added.

Scale locations:

Fayette County:
Bluegrass Grain Co.
Farmers Feed Mill/Hallway Feed
Crech Services Inc.

Bourbon County:
Thornbury Mini-Storage

Woodford County:
Woodford Equine Vet Clinic

For exact location addresses, please visit the CBA website:
www.consignorsandbreeders.com

Hay/Straw buying advice:

1. **Always buy hay by weight.** A bale is not a unit of measurement.
2. **Confirm the weight.** Have the hay weighed on a local scale that stamps the weight. A written weight is unacceptable. You should be given a stamped weight for both the loaded truck weight and the empty truck weight. Whatever is on the truck when it weighs in loaded must be on the truck when it weighs out empty, only the hay should change. If people, conveyors, and tarps were on the truck during the loaded weighing and not on the truck during the empty weighing that could easily add up to ½ ton extra payment for hay that you didn't receive.

3. **It is not suggested that you buy hay by the bale.** If a farmer sells his hay by the bale, it is in his best interest to make the smallest/lightest bales he can. If you do buy by the bale, determine the cost. Multiply the number of bales per ton times the cost per bale (2000 lbs./average lbs. per bale = number of bales per ton. This, multiplied by the cost per bale equals the cost per ton).

4. **Accepting hay in furnished trailers puts you at great risk for fraud.** There are additional weights to keep up with such as the road tractors that pull the trailers and varying fuel levels in the truck. This variance can be as much as three tons difference in the weight of the load.

5. **Confirm that sales tax is being remitted.** Ask your hay supplier for their sales tax certificate and call to confirm that the number is active (502-564-5170). If your hay supplier isn't charging sales tax, that is illegal. If your hay supplier isn't actually making the payments to Frankfort, that is an extra 6% that is being skimmed off your payments. Unfortunately the sales tax is your problem, if an audit reveals that your supplier has not been paying sales tax it is **ultimately your liability.**

The State of the CBA Union (cont.)

vet reports, the education committee continues to follow careers of former sale yearlings who were sold with less than optimal vet reports. As these racehorses find their way to the winner's circle in top competition, the CBA continues to collect the information in an ongoing effort to

inform equine buyers.

The education committee's list of stakes horses that sold without clean vet reports as youngsters continues to grow as consignors and breeders realize the importance of disseminating the information for educational purposes. Well written stories about the ca-

reers of such racecourse stars as Lookin' At Lucky and Vindication are shining light on the subject of such horses' ability to race successfully at high levels despite veterinary issues at the time of their sale. We will continue to search for these horses and share their stories with our membership.

Educational “Spotlight On” Veterinary Issues



On December 11 last year, a seemingly unremarkable five-year-old horse named More Than a Reason entered the starting gate at Aqueduct racecourse in New York for the Queens County S. (G3). At 19-1 odds at the graded stake level, More Than a Reason once again showed that he is indeed a remarkable horse. Making his 60th career start, the former claimer and RNA yearling came charging from the back of the pack in the Queens County to win the race by a head. Walking into the winner's circle in a Grade 3 race, More Than a Reason wasn't just bucking the odds on the tote board, but he was seriously side stepping those that were seemingly stacked against him as a yearling.

Four years prior to More Than a Reason's success in the Queens County S., the colt was prepped for the 2006 Keeneland September Yearling Sale by Craig and Carrie Brogden's Machmer Hall for the colt's breeders Ron and Tom Kirby. Consigned by Bluewater Sales, More Than a Reason's sale x-rays showed that he had a quarter-size cyst on a weight-bearing surface in a hind ankle. The veterinary prognosis regarding the colt's racing future was bleak. As such, More Than a Reason passed through the sale ring unsold at \$9,500.

Still owned by his breeders, More Than a Reason took a little time to find winning ways on the race-track. He broke his maiden at Mountaineer Park early as a three-year-old in his eighth start after

MORE THAN A REASON



Adam Coglianese photo

making six starts as a two-year-old.

After being claimed for \$15,000 while running in his 16th career start, the colt successfully worked his way through claiming, starter allowance and open allowance conditions in New York. With continued patience, More Than a Reason ultimately developed into a consistent listed and Grade 3 stakes performer by age five. His longevity and dura-

bility are remarkable, and would be remarkable for any horse in the current age of Thoroughbred racing. But considering the story the radiographic results tried to tell about the colt at the sale a few years ago, More Than a Reason's nearly 70-start career is yet another example of an x-rays result's inability to predict racing success.

Still going strong at age 6, More Than a Reason has 12 wins, 11 seconds and 13 thirds from 68 starts for career earnings of \$522,576. In addition to his Grade 3 win, he was also 3rd in a Grade 3 and placed in 5 other stakes. More Than a Reason is yet another fine example for both buyer and consignor of how caution should be exercised with the utilization of x-ray reports in the sale arena.

Spring 2011

Membership “Spotlight On” Kempton Bloodstock

Steve Castagnola



A Passion for Horse Racing

It was 1983 in England, and I will never forget the excitement and pure joy I felt listening to the call of the Grand National. That was it; that was the moment – I was hooked on horse racing. My new interest had a force of its own and like gravity, began pulling me to the different local tracks like Kempton Park and Epsom Downs. As I was 12 at the time, I couldn't exactly get in

a car and drive, so I often ended up taking two trains followed by a bus to get to my destination. Once I arrived, unescorted children weren't exactly welcome at the track so I had to sneak in by asking pleasant-looking strangers if I could please enter with them. Horse racing had quickly become my passion.

My Dad moved to California in the 1980s, and I joined him a few years later, where I finished up high school and attended San Jose State. My passion for horse racing remained strong, to the point I decided I had no other choice in life; I had to pursue my love which then brought me to Kentucky. I joined Taylor Made Farm and Sales Agency in January of 1997, accepting a position in the Equine Intern Program. During my 18-month internship, I was fortunate to have my hands on several, million-dollar sales horses,

Breeders' Cup Champions and classic winners. I was the first person to break to tack the 1999 Breeders' Cup Juvenile Filles winner, Cash Run. One of my favorite horses was Group 2 winner and \$1,000,000 sales yearling, Mull of Kintyre, with whom I spent many mornings grooming while reading the *Thoroughbred Daily News* from his back.

Upon completion of the intern program, I was offered the position of Stallion Nomination Manager for Taylor Made's young, developing stallion operation. One of my main responsibilities during that time was to recruit and review the mares that would be bred to Unbridled's Song. You can imagine the quality and quantity of breeding stock I reviewed during those years.

In 2002, I was asked to become the Director of Client Development at Taylor Made Sales

Agency. One of my main responsibilities was the identification of young, talented fillies and mares with the goal of recruiting these horses to Taylor Made for public or private sale. There I remained until launching Kempton Bloodstock, LLC in August of 2010. Kempton Bloodstock, LLC, www.kemptonbloodstock.com is a full-service agency offering public and private sales representation, portfolio management, mating advice and various partnerships of all levels. I have emceed various events around town in addition to some auctioneering. I am also a regular guest on the international radio show on the Horse Racing Radio Network. I am married to Shannon who plays a very important role on the West Point Thoroughbred team and am fortunate to have two lovely girls in Ava and Caroline who are my pride and joy.



To be featured in a future “Spotlight On” piece simply email Beth at beth@consignorsandbreeders.com

Board Of Directors

| | |
|--|-------------------------|
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| Case Clay cclay@threechimneys.com | Three Chimneys Farm |
| Pat Costello pat@paramountsales.net | Paramount Sales |
| Neil Howard neil.howard@gainesway.com | Gainesway Farm |
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| Joe Seitz jseitz@brookdalefarm.com | Brookdale Farm |
| Callan Strouss oaktree@lanesend.com | Lane's End Farm |
| Mark Taylor mtaylor@taylormadesales.com | Taylor Made Farm |
| Mark Toothaker mark@legacybloodstock.com | Pauls Mill |
| Rob Whiteley liberationfarm@yahoo.com | Liberation Farm |

2011 Board of Directors Election

Board election results for 2011 are complete and newly elected for a two-year term are Case Clay of Three Chimneys Farm, Matt Lyons of Woodford Thoroughbreds, Callan Strouss of Caldara Farm and Mark Toothaker of Pauls Mill.

We would all like to thank Kerry Cauthen of Four Star Sales, Mike Cline of Lane's End Farm, Dermot Ryan of Ashford Stud and John Stuart of Bluegrass Thoroughbred Services for their time serving on the CBA's Board of Directors representing consignors and breeders for the past two years.

Newly Elected for 2011–2012



Case Clay



Matt Lyons



Callan Strouss



Mark Toothaker

Welcome To Coffee Talk

A Chance To Talk Amongst Yourselves



I'll give you a topic:

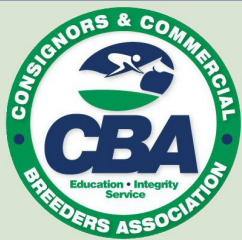
SCOPE GRADE STANDARDIZATION

Will we ever find a universal standardized grading system? Should North American Sales adopt a wind test?

Discuss... There I feel better.

Now, please contact your board members with your thoughts.

Spring 2011



The CBA works democratically on behalf of every consignor and commercial breeder, large and small, to provide representation and a constructive, unified voice related to sales issues, policies, and procedures. The Association's initiatives are designed to encourage a fair and expanding marketplace for all who breed, buy or sell thoroughbreds.

Email: info@consignorsandbreeders.com

Website: www.consignorsandbreeders.com



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