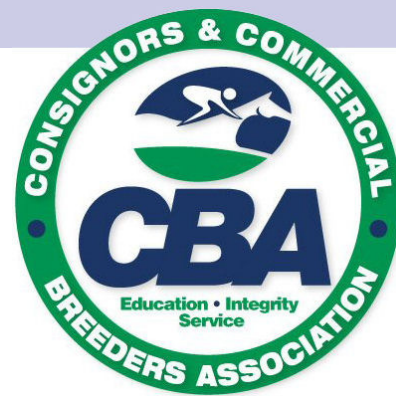


Membership Newsletter

Summer 2010

Inside this issue:

"Spotlight On" Veterinary Issues: VINDICATION	1-2
CBA Distributes New "Plain & Simple" Booklet	1
Keeneland Update: Party In The Paddock	2
New CBA Website	2
Stallion Service Certificates In Bankruptcy Cases	3
Spotlight On Membership: HART FARM	3
Preferred Provider Program Update	4



Educational "Spotlight On" Veterinary Issues Another Success Story: VINDICATION

by Frank Mitchell

In evaluating a young prospect for racing, most buyers, trainers, and veterinarians try to strike a balance between the type of athletic prospect that really catches their eye and any veterinary concerns related to the young horse.

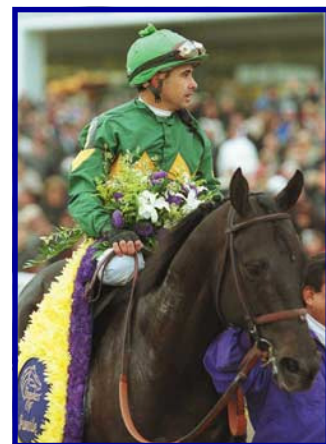
Trainer Bob Baffert is one who tries not to rely on the vet report as a means of selection. In an interview for the CBA a couple of years ago, Baffert said, "I look for a natural athlete, and that's what I want to buy. Horses fail the vet for lots of reasons, but most of them don't have problems at the track because of that."

Examples to back up his rea-

soning abound, he noted, and "Vindication was the best one. Every vet on the grounds at the Saratoga sale [where Vindication was a star attraction at the Fasig-Tipton select yearling sale] turned him down for something in his ankle. I was going to buy him with James McIngvale, and Padua got into a bidding war with us and got the horse."

Indeed, with all the buzz about Vindication on the sales grounds, too much of it was negative, but the Baffert camp and Satish Sanan's Padua Stable group were not deterred.

In recalling the process that led to his purchase, Sanan said



that we "have our own vet that we trust a great deal. We sit down and discuss issues collectively. Vindication (cont. P2)

Welcome New Members

- Candyland Farm
- Cara Bloodstock
- Tanya Boulmetis
- December Farm
- Frankfort Park Farm
- Glen Oak Farm
- Green Hills Farm
- John Harroff, D.V.M.
- Aaron & Marie Jones
- MaryEllen Kennedy
- Lanark Farm
- Ignacio Leon, D.V. M.
- Ben McElroy
- George Saufley
- Shannon Bloodstock
- Mark Stanley
- Starlight Stable
- Stoneleigh Farm
- Sybon Racing
- Nancy Terhune
- Northwest Farms LLC
- Franklin Smith
- Tahoma Stud
- Omar Trevino
- Troy Farm
- Town & Country Farm
- Two Sisters Farm
- James Weigel

CBA Distributes New Booklet in "Plain And Simple" Series: "Vetwork – Plain And Simple: Glossary of Veterinary Terms"

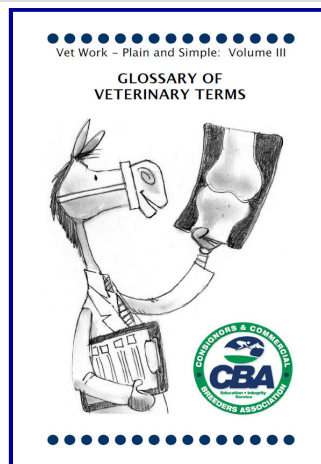
by Joe Seitz

With education always one of the CBA's primary focal points, the "Plain And Simple" booklet series has been expanded this summer with the addition of a helpful reference booklet for the entire industry titled "Vet Work - Plain and Simple: Glossary of Veterinary Terms." Compiled with the help of renowned industry veterinarians, as well as leading consignors and breeders, this comprehensive glossary of terms helps translate the scientific language of veterinary reports into terms any horseman can understand and will appreciate.

Enhancing the basic terminology entries, readers will find

the names of graded stakes winners listed with the terms that described veterinary findings those top performers had on their radiographic reports as foals or yearlings. From common terms, such as "OCD," to less common terms as "Exostosis," each term is defined in plain English to help clarify vet reports for buyers, sellers, consignors, and bloodstock agents.

In addition to terminology the new booklet includes anatomical guides of equine skeletons, front and hind leg anatomy, foot anatomy, and directional descriptions (abaxial, dorsal, lateral, medial, etc.). It is the hope of the Education Commit-



tee that this guide will be neatly tucked inside every sale catalogue in the sale pavilion.

Educational “Spotlight On” Veterinary Issues Another Success Story: VINDICATION (CONTINUED)



was a great example of this. He had some little things going on with his ankles, and some vets were negative about him. But our team thought he was a really nice prospect without any serious problems. We went ahead and bought him, and he went on to be a Breeders' Cup champion.”

In addition, Vindication was an unbeaten 2-year-old who was selected as the Eclipse Award winner as the top juvenile colt of 2002, and then over the winter, the grand-looking son of Triple Crown winner Seattle Slew was syndicated for stud with a gross valuation just a couple bucks short of umpteen million dollars.

That was a tremendous result because Sanan hadn't purchased the colt off the bargain rack. Instead, he paid \$2,150,000 for Vindication out of the Taylor Made Farm consignment.

Mark Taylor recalled the work required to sell Vindication at Saratoga.

He said, “The problem, of course, was the vet report. It wasn't perfect. That's what everybody wants, and most of the time you get the report but not the individual. This time we had the individual but not a perfect report.”

The near-black son of Seattle Slew and Strawberry Reason, by Strawberry Road, had several minor irregularities that were noted on the vet reports. He had lucencies and flattening in both front ankles; he had spurs in both hocks; and he had a flattening and “mild defect” in his right stifle.

So Vindication was good for nothing, right?

Well, it depends on who reads the radiographs and how they interpret the findings to the prospective buyer and advisers.

In a conversation a couple of years ago with Bruce Hill, then farm manager for Sanan's Padua Farm in Ocala, Hill said that the “worst thing about OCDs from the buyer's perspective is that if you turn back a horse because of an OCD, you can

miss some awfully good horses. Some of those things clear up, go away, and others can be treated or cleaned up.”

Just imagine what would have happened if Sanan had not liked the colt and persevered in bidding on him! He would have kissed away an Eclipse Award, a Breeders' Cup success, and millions in stable earnings.

All because, Hill said, “Vindication was a horse that most people were discounting. After we bought him, a number of trainers and agents informed us that it was the dumbest move and biggest waste of money they'd ever seen.”

But Sanan and his advisers had done their homework and knew what to do for the colt. Hill said, “We started him on a 90-day program of treatment, did follow-up radiographs, then broke him, put him into training, and everything went perfectly.

“There was nothing the matter with that horse that kept him from being a champion athlete. Now to be fully honest, we might not have had as much

courage if we hadn't had so much confidence in our vet. We have a long association with Dr. Bloomer, he works for us on all of our horses, and we look to him to give us the honest assessment of the probabilities that a horse can be an athlete. Without him, I'm not sure what decision we would have made. After seeing Vindication at the farms and at the sales, all Satish needed to know was our vet's judgment on the colt.”

And Bob Baffert, who had admired Vindication so much on the sales grounds and had encouraged his client to bid more than \$2 million for the colt, watched him pass out of the ring for another bidder.

But all was not lost. When Sanan came to choose a trainer for his prize colt, he chose Baffert, who trained Vindication to an unbeaten championship season.

You could tell the trainer really loved the irony in the way the story worked out when he said the “really good ones are hard to come by.”

Summer 2010

News From KEENELAND

Join CBA Members for a
Party in the Paddock
(Hosted by Keeneland, CBA, KTOB)

Wednesday, September 15

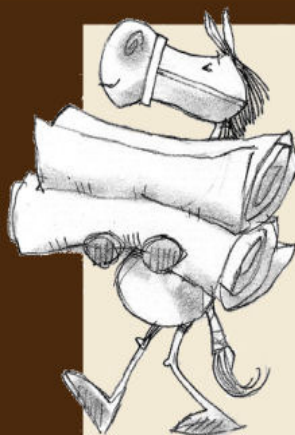
Location: Paddock

Time: 6:30 p.m. – 8:30 p.m.
(Immediately following the sale)

Cocktails and casual atmosphere are being offered in the Keeneland paddock immediately following the Wednesday evening sale session. Attendees will enjoy open bars, live music and passed hors d'oeuvres.

Contact Beth Smith for more information:
beth@consignorsandbreeders.com

NEW CBA WEBSITE LAUNCHED



If you have not visited the CBA website recently, you should take a moment of your day to visit www.consignorsandbreeders.com. The website was newly designed this spring and launched in May.

Because the CBA is dedicated to working for members each and every day you will find updates posted with regularity. In addition to news regarding legislative actions, you will find CBA poll results, a list of CBA Preferred Providers, as well as a membership list with links to member websites. The site redesigned around a subtle and warm color scheme accented by the illustration artwork of Chris Ware giving it a light and pleasant atmosphere.



Please visit the website and don't forget to “friend” the CBA on Facebook.

Stonewall Farm-Related Bankruptcy Cases Raise Questions Related to Stallion Service Certificates

By Bill Hoskins & Mary Beth Naumann

In this Spring's newsletter, there was a brief article examining the role that stallion service certificates have in ensuring that stallion owners are paid for the stud fees owed to them. This article noted certain state court precedents that Kentucky stallion owners have relied upon for quite some time. Since that decision, it does not appear that any other Kentucky courts have addressed the issue of the status and nature of stallion service certificates and stud fee liens. Recently, however, events in the course of the bankruptcy filed by certain companies related to Stonewall Farm may have teed this issue up for consideration by the Federal Bankruptcy Court.

As reported in the local news, several Stonewall Farm-related entities¹ filed for protection under Chapter 11 of the United

States Bankruptcy Code on July 20, 2010. Among other things, these Debtor entities owned (either in whole or in part) the Thoroughbred stallions LEROIDESANIMAUX, LAWYER RON, and A.P. WARRIOR. Prior to the bankruptcy, Fifth Third Bank had sued a number of other (non-Debtor) Stonewall Farm-related entities² in Fayette County Circuit Court to collect amounts owed to Fifth Third and to sell the equine collateral that secured those obligations. A Receiver (Bluewater Sales, LLC) was appointed in the Fayette Circuit Court action to administer the equine collateral. Among the equine collateral at issue were mares in foal to and foals sired by the Bankruptcy Debtors' stallions.

Soon after the bankruptcy case was filed, on July 29th, Fifth Third asked the Bankruptcy

Court to allow it to compel the Debtors to turn over the stallion service certificates to the Receiver so that the mares and foals at issue in the Fayette Circuit Court action could be sold at the upcoming Keeneland sales. In its filing, Fifth Third stated, among other things, that "The Stallion Service Certificates have no economic value to the Debtors." The Debtors opposed Fifth Third's efforts noting that they asserted possessory and statutory liens for the unpaid stallion service fees and that those amounts should be paid before Fifth Third received any money from the sales proceeds.

Fifth Third and the Debtors were able to resolve the issue by agreeing to escrow the stud fees until the issue of who gets paid first – the Bank or the stallion owner – is determined. The

Debtors have filed a case against Fifth Third asking the Bankruptcy Court to determine that Fifth Third does not have a lien on any sales proceeds that represent the stallion service fees or that any lien Fifth Third holds is inferior to the stallion owners' interests. Thus, unless the parties reach an out-of-court agreement, it appears that the battle is still to come on this issue and the determination could have an effect on all breeders and consignors, not just those involved in the Stonewall case.

We will continue to monitor this situation for the CBA and will report back in the next CBA newsletter. If anyone has any questions, please call or have your attorney call us at 859-255-9500.

1 The entities who filed are: Stone*Wall Farm Stallions I, LLC; Stone*Wall Farm Stallions VII, LLC; Stone*Wall Farm Stallions Racing Division I, LLC; Hotcopri, LLC, and Malandrin, LLC.

2 The entities sued by Fifth Third Bank are: NeverTell Farm Kentucky IV, LLC; Stone*Wall Farm Stallions 53, LLC; Stone*Wall Farm, LLC; Stone*Wall Farm Stallions 53, Inc.; NeverTell Farm Kentucky I, LLC; Pondering, LLC; Jostle, LLC; Nonsuchbay, LLC; NeverTell Racing, LLC; Miss Nashwan, LLC; Cat Alert, LLC; Kyco, LLC; Spirited Maiden, LLC; and Palm Beach I, LLC.

Membership "Spotlight On" Hart Farm

Dr. "Pug" Hart and Susie Hart

After graduating from Texas A&M, Dr. E.C. "Pug" Hart moved to Florida, where he worked at Miami tracks until he and his wife Susie purchased Hart Farm in Ocala. Pug and Susie developed Hart Farm into one of the larger training and breeding centers in the area. While practicing in Ocala, Pug had the opportunity to work on some of the great racehorses of our times, including Mr. Prospector and Slew o' Gold. The farm grew to the point that there were often in excess of 300 horses in residence. Clientele included such well-known names as Mace and Samantha Siegel, Will Farish, Morton Rosenthal, and Cal Partee.

Susie Hart started out showing

hunters and jumpers and made the transition to racehorses as a young woman. In 1986 she set a world record for a pinhooked two-year-old with a Danzig colt that she sold at the Fasig-Tipton Calder sale.

In 1998, Pug and Susie sold their Florida facility and embarked on a new venture in Virginia. They developed a raw piece of land into a state of the art equestrian facility where they continue to be active in every facet of the business. The farm has already produced two Virginia-bred two-year-old



champions, plus numerous sales toppers and stakes winners.

The Hart's success hit headlines after purchasing Eclipse champion Victory Gallop as a yearling at Keeneland. After racing Victory Gallop for a portion of his two-year-old year, the Harts sold him to Prestonwood Stable. More success followed the Harts who later developed and managed the racing career of yet another Eclipse champion - Maria's Mon - and more than 100 other stakes winners for themselves or their clients. Susie is on the

board of the Virginia HBPA. Pug is a member of the AAEP, an active director of the VTA, and has served a four-year stint on the Grayson-Jockey Club Research committee.

In addition to breeding and raising horses on their farm, Pug and Susie are active at the sales, advising clients while Pug continues his vet work. Susie and Pug are both avid riders and still foxhunt whenever time allows, yet the farm is a busy place between foaling, layups, sales prep, and a swim facility. There isn't much spare time for hobbies; maybe that's why the Harts' motto is that their vocation and avocation are one and the same.



To be featured in a future "Spotlight On" piece simply email Beth at info@consignorsandbreeders.com

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John Stuart john@bluegrasstbred.com	Bluegrass T'bred Svcs.
Mark Taylor mtaylor@taylormadefarm.com	Taylor Made Farm
Rob Whiteley liberationfarm@yahoo.com	Liberation Farm

Preferred Provider Program Update

The CBA added some exciting preferred providers during the summer. In addition to our current roster of providers, CBA members will now receive the following discounts from these new Preferred Providers:

AMERICLIC

Discount: 20% Off Retail Services Including Document Translation, Telephonic Interpretation, On-Site Interpretation

BROOK LEDGE HORSE TRANSPORTATION

Discount: 10% Off Retail of All Local Hauling During Keeneland and Fasig-Tipton Sales

CHARLES T. CREECH, INC.

Discount: 5% Off Retail Price for Hay and Straw *picked up* at the Thoroughbred Center Location

RACING TRIPS WORLDWIDE

Discount: 5% Off All Trips

WINCHESTER FEED

Discount: 20% Off Retail For Feed Supplements, Select Tack Supplies, and More
(Deeper Discount offered for CBA Members who become Feed Customers)

Summer 2010



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



Consignors And Commercial Breeders Association
P.O. Box 23359
Lexington, KY 40524

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place
stamp
here

TO: