



The Horsemen's Newsletter

October 2017

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Laurel Park Will Be Racing Mondays Starting In October



The MTHA Board of Directors Sept. 8 heard about the proposal from Maryland Jockey Club President Sal Sinatra and approved it several days later. The switch in racing days is tied to increased exposure of the Maryland product on the Television Games Network.

Laurel Park was scheduled to race Thursday through Sunday in October and November, and Friday through Sunday in December. Under the new arrangement, there will be racing four days a week in December, with the extra days also Mondays.

The first Monday of racing will be Oct. 9. The plan received approval by the Maryland Racing Commission.

First post time of 1:10 p.m. will remain in place through Monday, Oct. 16. It switches to 12:30 p.m. Friday, Oct. 20 through Dec. 31.

Sinatra noted there will be a net gain of two racing days under the new schedule given the extra Mondays in December.

Report: Laurel Surface Consistent; Protocol Recommended

A report prepared by Biologically Applied Engineering shows the recent one-week renovation of the main track at Laurel Park was largely a success, but it also strongly recommends daily attention as part of a Maintenance Quality System.

The report was presented by Dr. Mick Peterson (pictured), the principal in Biologically Applied Engineering and Executive Director of the Racing Surfaces Testing Laboratory who also oversees equine agriculture programs at the University of Kentucky. He visited Laurel Labor Day weekend to examine the dirt surface at the request of the Maryland Thoroughbred Horsemen's Association.

The renovation entailed a peel-back of the surface material to examine the base; five areas of the base were patched and compacted. Some clay was added to the surface material before it was replaced, and drainage issues around the track were identified and remedied.

It was the first time in more than 10 years the entire dirt surface was examined and overhauled. The MJC, during the late-August project, also aerated and reseeded the turf course.

"The report is pretty self-explanatory," said MTHA President Tim Keefe, who monitored the work performed in August during a short break in the Laurel racing season. "It's important for all of us to realize

the importance of the racing surface and make sure it's maintained properly. We're fortunate in Maryland to have The Stronach Group and (MJC President) Sal Sinatra being open to doing just that."

Peterson in the report said work performed by the Maryland Jockey Club crew prior to the second day of testing proved successful in addressing primary concerns.

He said the test results, which showed consistent cushion depth, were verified by ground-penetrating radar data and measurements from a biomechanical surface tester.

"The consistent color and lack of lighter or darker sections in the radar indicates that the repair of the base was successful in providing a firm base for the cushion, and the grading and mixing was successful in producing a consistent surface," Peterson said in a letter to the MTHA. "The

consistency is the most important and least controversial aspect of improved surfaces."

Peterson said areas with "additional depth" are located on the inside of the two turns and small section of the chute, but they "are very typical and the variation in depth is less than in most racetracks."

The biomechanical surface tester was used at all primary points of call per eighth of a mile and the two finish lines. The report notes vertical variation is much smaller



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than that of a few comparison tracks, and though horizontal variation is slightly higher, it's consistent.

Peterson recommended additional samples of the surface be taken and tested because the material had not been mixed and graded before his first visit on behalf of the MTHA.

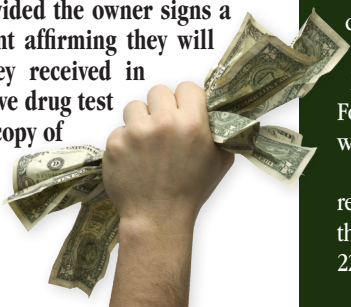
"These good results should not lead to complacency," Peterson said. "The purpose of the Maintenance Quality System is to develop a systematic tracking of daily maintenance of the surface. The maintenance and the weather will change the condition of the track significantly. Tracking of weather and maintenance is critical to understanding the daily condition of the track and to ensuring the most consistent possible track for the horses and riders."

Sinatra said that going forward, Peterson's company will perform on-site quarterly reviews of the surface and that the MJC will employ recommended protocols.

"We've engaged him," Sinatra said. "He has a program that we will follow. The report is very good, and I'm pleasantly surprised. Our guys worked really hard (on the renovation), and obviously we need to continue this work. We've got to keep on it, because we want the safest surface we can have for horses and riders. Without the surface you don't have the horses."

Expedited Purse Release Program

MTHA has implemented a new program that allows the immediate release of purse monies after the required 72-hour waiting period for a race to be declared official by the stewards – provided the owner signs a notarized agreement affirming they will return purse money received in the event of a positive drug test result. To obtain a copy of this agreement, visit the MTHA race-track office or visit mdhorsemen.com.



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MTHA

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Report On Live Foals Released; Maryland Continues Growth



The overall number of live Thoroughbred foals in North America reported through Sept. 13 is down 1.7% compared with the same period last year, according to The Jockey Club, but the number is up 21.7% in Maryland.

The statistics show that 1,863 stallions covered 36,045 mares in 2016 during the period. The Jockey Club reported 21,624 live foals through Sept. 13 based on Live Foal Reports; at this time last year there were 21,991 live foals.

There were 2,467 No Foal Reports. As reported earlier, The Jockey Club expects this year's registered foal crop to be about 22,500.

Of the top 10 states by mares bred in 2016, Maryland is one of three that posted an increase in 2017 live foals—and led the way by percentage of increase. Through Sept. 13 Maryland had 500 live foals, up 21.7% from 411 at the same time last year.

Kentucky was second with a 1.7% increase (12,393 this year versus 12,184 in 2016), while California's number of live foals inched up 0.3% to 1,726 from 1,720, according to the statistics.

The Thoroughbred foal crop in Maryland continues to increase as a result of increased revenue for purses and breeding development as a result of a dedicated share of cas-

no revenue and because of stability brought about by a 10-year agreement among all industry stakeholders.

As for other Mid-Atlantic and Northeast regions in the top 10 by 2016 mares bred, New York showed a 3% decline in live foals (912) compared with the same period last year, while in Pennsylvania the number of live foals (289) is down 17.2%, according to the statistics.

"It is important to note that the live foals reported in The Jockey Club breeding statistics are by conception area and do not represent the state in which a foal was born," Matt Iuliano, Executive Vice President and Executive Director for The Jockey Club, said in a release. "Breeding statistics also are not a representation of a stallion's fertility record."

The number of stallions dropped 3.1% from the 1,923 reported for 2015 at this time last year, while the number of mares bred declined 2.5% from the 36,964 reported for 2015.

Kentucky each year leads all states and provinces in terms of Thoroughbred breeding activity. Kentucky-based stallions accounted for 49.7% of the mares reported bred in North America in 2016 and 57.3% of the live foals reported for 2017.

The Jockey Club said the Report of Mares Bred will be released in October.



Rec Report

Golf Tournament Wrap-up

On Monday, Sept. 18 we held the MTHA Golf Tournament at Compass Pointe in Pasadena. The winning group was Libby Butts, Steve Poirier, Chuck Friedman and Kyle McCarthy. Second was Anthony Farrior, Billy Kennedy, Denny Johnson and Ted Johnson. Third was Wayne Potts, Cory Jensen, Bob Klesaris and Clarence Boswell.

Kyle McCarthy had the longest drive. Alfonso Griffin and Steve Poirier won the two closer to the pin holes.

Also Chuck Friedman got a hole in one during the tournament and won a free set of irons from Compass Pointe.

Poker Tournament

We held two poker tournaments in September and both were won by Howard Wolfendale.

In the first tournament Noah Abramson and Marty Leonard tied for second. In the second Terrence Kell finished in second and Steve Kell finished in third.

Poker Tournaments are held twice a month on the second and fourth Monday of every month.

Backstretch Appreciation

The Backstretch Employees Picnic was a huge success again this year. On a sunny September afternoon over 440 employees enjoyed the day's festivities.

The following were winners of the \$250 cash drawings: Jose Batista, Edgar Benavente, Marta Hernandez, Juan Ramirez, Jose Sepeda, Pedro Avina, Chuck Freidman and Daniel Feliciano.

The grand prize winner of \$500 was Leonel Rico. MTHA sincerely thanks Maryland Jockey Club for their support of our event.

Fire and Disaster Insurance Continues



Fire and disaster insurance has been renewed for another 12 months. Under this policy, MTHA members may be compensated for death or humane destruction of their horses due to a number of perils, including fire, lightning, wind storm, smoke and flood.

Coverage extends to horses located at or in transit to or from Laurel, Pimlico and Timonium. Additionally, horses are covered when in transit from Laurel, Pimlico or Timonium to race and return from out-of-state tracks.

To file a claim or for assistance call the MTHA Business office at 410-902-6842.

IRS, from back page

as is the case today – so long as all wagers made into a specific pool by an individual are made on a single totalisator ticket if the wager is placed onsite. The modernized regulations will have the same positive results for ADW customers and will not impact how those wagers are currently made.

The NTRA has pushed for the modernization of pari-mutuel withholding and reporting rules for several years. As more and more pari-mutuel wagering was

directed toward exotic wagering pools it became clear that the tax rules were becoming an increasing and unfair burden on horseplayers as those outdated rules significantly in-

creased the incidence of winning tickets subject to withholding and reporting. These new rules are the product of all the work the NTRA, and

other industry stakeholders, undertook with Congressional representatives and Treasury and IRS officials.



Board Actions



MTHA Board Meeting – September 8, 2017

Members present: A. Ferris Allen, Dale Capuano, Linda S. Gaudet, JoAnn Hayden, R. Larry Johnson, Timothy L. Keefe, Mark B. Lapidus, Robert T. Manfuso, Hugh I. McMahon, H. Graham Motion, Charles J. Reed, Philip B. Schoenthal, Michael J. Trombetta, Katharine M. Voss.

Member absent: Michael F. Horning.

Election of Officers

The Board unanimously appointed the following officers: Timothy L. Keefe (President); Dale Capuano and Linda Gaudet (Vice Presidents); Michael F. Horning (Treasurer); Katharine M. Voss (Secretary).

Election Results

The Board unanimously voted to release results for the 2017 election as well as the results of future elections.

OTB

The Board unanimously voted to approve a revenue distribution model for the Riverboat of the Potomac OTB that is consistent with other OTBs in the state of Maryland.

Additionally, the Board unanimously approved OTB facilities to be located in Hampstead at Greenmount Station restaurant and in Oxon Hill at MGM National Harbor Casino.

These OTB facilities will use the exact same revenue distribution model as the other OTBs in the state.

Investment Policies

The Board unanimously accepted the Investment Policies for the Backstretch Pension Plan and MTHA Investment Fund as approved by the MTHA Finance Committee.

American Horse Council

The Board unanimously voted to renew membership in the American Horse Council.

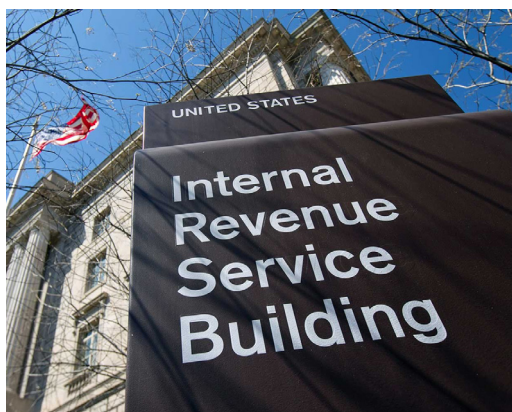
Scholarship Program

The Board unanimously authorized up to a \$10,000 contribution to an industry-wide scholarship program.

Thank You!

MTHA wishes to express a sincere thank you to Maryland Jockey Club for donating the cash prizes and various promotional materials for our Backstretch Appreciation Day.

Horseracing Wins as Treasury/IRS Issue New Updated Tax Rules



The U.S. Treasury Department and the Internal Revenue Service (IRS) announced that it will formally adopt modernized regulations regarding the withholding and reporting of pari-mutuel proceeds. The National Thoroughbred Racing Association (NTRA) has long pressed for these updated regulations that will allow horseplayers to keep more of their winnings, thereby increasing the amount wagered on U.S. pari-mutuel racing by as much as 10% annually, or upwards of \$1 billion, according to independent estimates. The new rules were posted late September as a Public Inspection Document.

They are scheduled to go into full effect by no later than Nov. 14, giving racing associations, totalisator companies, and advance deposit wagering (ADW) operators up to 45 days to implement these important changes; however, some may elect to start as soon as Thursday.

"These landmark U.S. Treasury regulations will have an enormously positive impact on horseplayers, the racing industry, and the federal government," said NTRA President & CEO Alex Waldrop.

Under the new regulations, the IRS will consider the inclusion of a bettor's entire in-

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MTHA

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October 2017

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Backstretch Appreciation Day



No one left hungry as Russell Clark served up pit beef, pork and bam and all the fixings to over 450 backstretch workers on Tuesday, Sept. 19 at Laurel Park during the annual Backstretch Appreciation Family picnic.

Board of Directors

A. Ferris Allen, III
Dale Capuano
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R. Larry Johnson
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