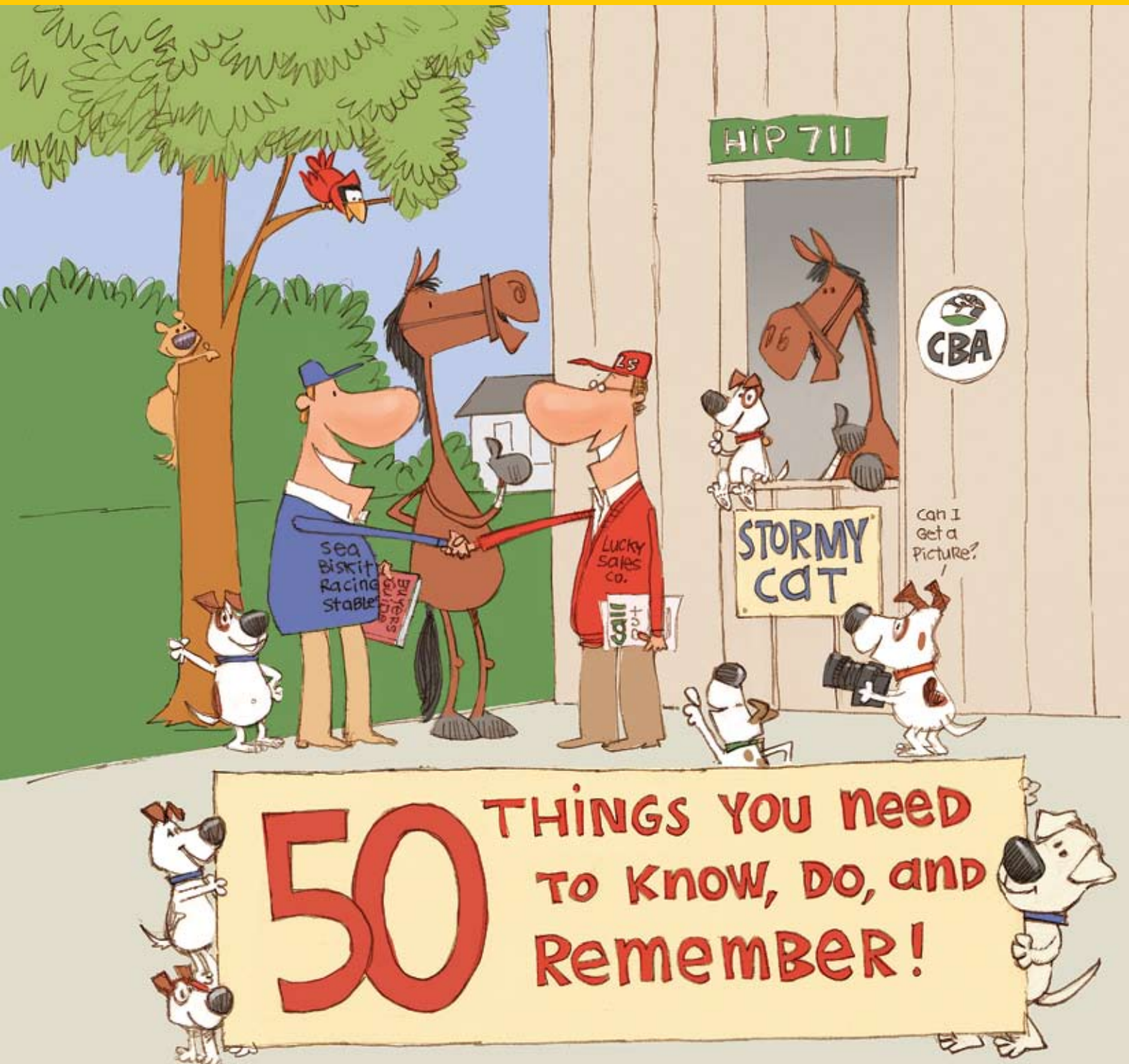


SUCCESS

AT THE SALES

PLAIN AND SIMPLE



KNOWLEDGE IS POWER.

Whether you are a new horse owner or a veteran, arming yourself with facts and a smart business plan will set you up for success. To help you achieve your goals and dreams, the following sales information and tips are provided by the CBA as a customer service to buyers and other horsemen who participate in the auction scene each year. Many of the bullet points are excerpted from the CBA's Plain and Simple booklet series. For a more in-depth review of these sales issues, please read the booklets themselves by going to

[www.consignorsand breeders.com](http://www.consignorsandbreeders.com).

PLANNING FOR SUCCESS.



Create a sound business plan with specific cash-flow projections, and be sure you are sufficiently capitalized to see things through.



Seek trustworthy advisors and agents who have a proven track record of success in the industry. Carefully check the references of people you intend to rely on. Interview candidates the way you would do for any important business.



Minimize later misunderstandings by clarifying terms of employment or commissions, up front and in writing.

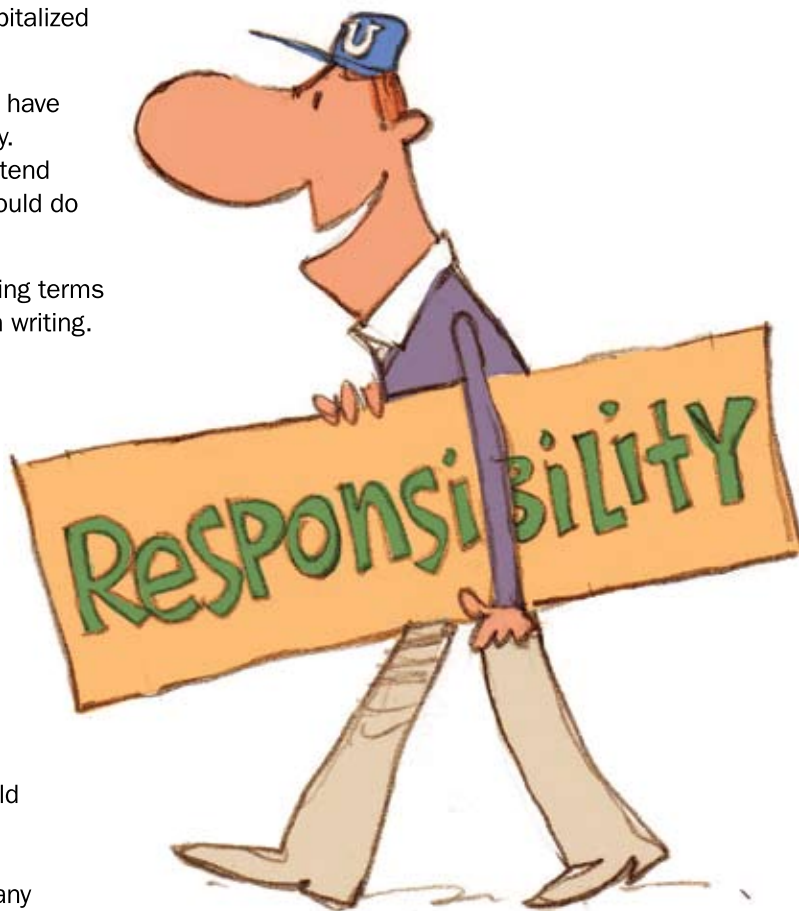


Treat people the way you would want to be treated yourself.

The horse business is also a people business and it is important to create and build on lasting relationships and good feelings to achieve long-term success. Remember, more often than not, what goes around comes around.



Take responsibility. Buyers have a responsibility to inform themselves sufficiently to be accountable for their decisions. Each horse purchase is like buying a small company or valuable work of art, and due diligence should be pursued accordingly. Freely ask questions of consignors and veterinarians. If something puzzles you, speak with advisors or sale company representatives.



SELECTING A VET AND ESTABLISHING A WORKING RELATIONSHIP.

**WHEN SELECTING A SALES VET,
INTERVIEW EACH CANDIDATE AS YOU
WOULD ANY MEMBER OF YOUR TEAM.
SOME QUESTIONS YOU MIGHT ASK ARE:**



How much experience do you have with sales, racetrack, reproduction, surgery, radiology, or research?



Are most of your clients focused on early racing and re-sale or more oriented toward later or two-turn racing?



Will you explain your grading system for scopes and x-rays to me before and throughout the sale, and will you indicate what each rating means in terms of research related to later racing success?



What percentage of horses do you “pass” on the scope? What percentage on radiographs? Do you keep track of your sales opinions and how those horses do later on as racehorses?



What percentage of the sales work (scoping, taking and reading x-rays, etc.) is performed by you, and how much by assistants or interns?



Do you ever have ownership interests in sales horses at sales where you work? If you do, do you provide a list of your interests to the sales companies and your clients?

Buyer + Horse + Vet =
a winning Team!



DEVELOPING YOUR RELATIONSHIP

- **After selecting your vet, get to know him or her** and develop a close working relationship. He or she could become an especially valuable member of your team or cause you to unnecessarily miss out on good horses. Explain your goals and objectives in detail and express the kinds and level of risk you are willing to accept.
- **Maintain specific and clear communication** with your vet during sales sessions. As the pace at times can be hurried and hectic, double check to make sure that your vet records the correct hip number, and place your requests for evaluation as far in advance of the horse selling as possible.
- **Become as knowledgeable as possible** about the meaning of various veterinary findings as they relate to training and racing. Ask your vet to translate jargon and explain findings in ordinary language.
- **Request a report** at the end of the sale that specifically lists and describes any significant findings related to each hip number and that indicates whether or not your vet “passed” or “turned down” the horse or made any other recommendations.

FINDING YOUR FUTURE STARS.



Know and appreciate pedigree. Pedigree reveals the success of family members and success tends to produce success. Look for consistency and quality performance in the pedigree.



Don't search for "the perfect yearling." Look for the well-balanced athlete who moves well and can easily handle any minor faults. Successful horses come in all shapes and sizes, and stakes races are filled with horses with conformational flaws. Being too picky or strict on conformation and vet reports often leads to missing out on very successful racehorses.



Study each horse's demeanor, eye, expression, and overall presence. A horse's character and how he handles himself is a clue to later performance.



When evaluating faults, think in terms of the degree of a conformational flaw. Create your own specific system for recording the degree of deviation, from very slight to severe. Keep in mind that most horses handle minor to moderate degrees of deviation successfully, if they move in a fluid and athletic way.



Yearlings with less than perfect legs or throats are generally just as successful as those without flaws, if they have balance, athleticism, sufficient pedigree, and a competitive nature.



INFORM YOURSELF WITH THE FACTS.



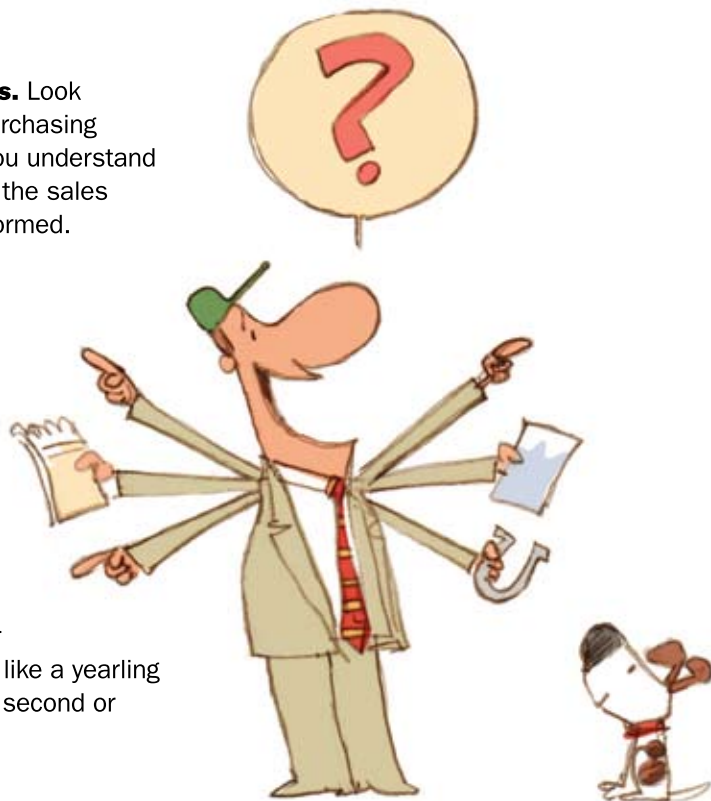
QUESTION EVERYTHING.

Read the CBA booklet on *Buying Sales Yearlings*. Look for facts rather than opinions. Your strike-rate in purchasing successful racehorses will be greatly increased if you understand the myths and false beliefs that are perpetuated at the sales each year by people who are mistaken or poorly informed.



SCOPING.

Read the CBA booklet on *Scoping*. Over 90% of yearlings' throats have the same probability of success for racing, despite arytenoid or epiglottis variations. Throats can have many irregularities within the range of normal and still not be compromised as a racehorse. Different vets may interpret the same throat differently. Throats can also appear and function differently at different times of day and under different states of stress or excitement. Throats can also change for better or worse with time and maturity. If you really like a yearling and your sales vet has issues with his throat, get a second or third opinion.

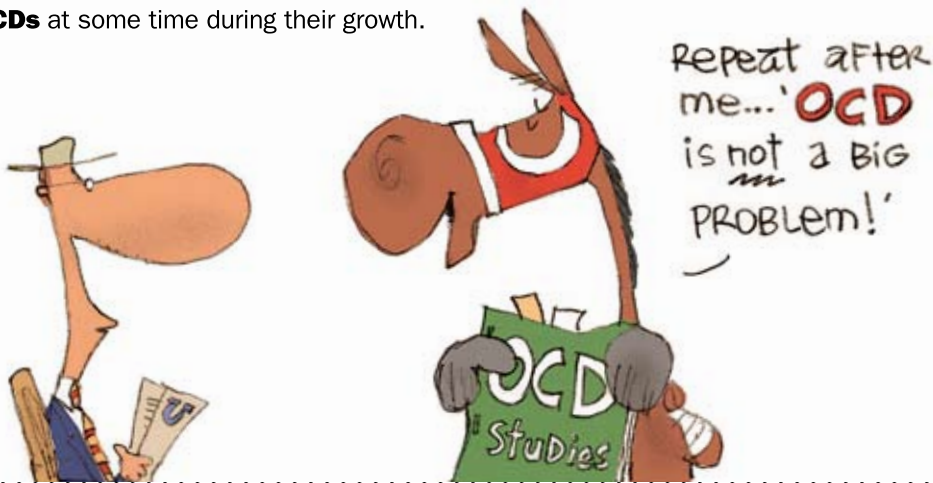


OCDs.

Read the CBA booklet on *OCDs*. OCDs commonly occur during the normal process of a young horse's bone and cartilage development, and most OCDs will resolve or disappear as the horse matures. Research indicates that depending on size and location, most OCDs have little effect on training and racing if they are not producing visible symptoms.

THE FACTS
continues
on page 6

- **Many OCDs resolve or disappear** as a normal part of a horse's development.
- **Most horses will have one or more OCDs** at some time during their growth.
- **Most OCDs that don't disappear will not affect racing performance** and can be removed arthroscopically if they bother the horse at a later date.
- If the horse has an OCD, but is an athlete who moves well and shows no signs of a problem, the buyer should consult a knowledgeable veterinarian and not turn down the horse without checking out the location, size, and prognosis for training and racing.





MAY FOALS.

Don't overlook or discount May foals. Northern Dancer (May 27th) is just one of several hundred Grade 1 stakes winners who were born in May. Research in England and the U.S. shows that May foals perform just as well on the racetrack as foals born in any other month, even at two years of age. A few days or weeks makes no difference in a horse's development. A case can even be made that May foals have an edge on performance and racing longevity because they are born under the best environmental conditions.

- **May foals have won a stunning nine Breeders' Cup Mile races, 25 Breeders' Cup Championships, over a third of the last 20 Belmonts, and virtually every major stakes run in North America.**



FOALS OUT OF OLDER MARES.

Don't underestimate or dismiss foals out of older mares if they look the part and you like them in every other way. Secretariat was out of an older mare (Somethingroyal), who produced her last stakes winner at 24. Affirmed's mother (Won't Tell You), was middle aged and had seven foals before her first stakes winner, and then produced her fourth stakes winner at 22.

- **Fifteen Breeders' Cup Champions and a huge number of Grade 1 stakes winners are out of older mares.**
- **Some mares age more quickly than others**, and they tell you when they have reached a point of diminishing returns because the foal will tell you. If an older mare is "over the hill," the resulting foal will reflect her diminished capability, and you will be able to evaluate her offspring accordingly. But if the yearling you are examining is well made and athletic looking, it should not be discounted or avoided simply because it is out of an older mare.

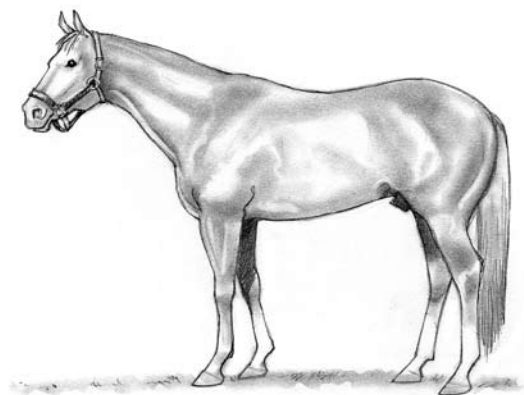


LATER SESSION YEARLINGS

Many graded stakes winners come from the back end of Keeneland September and Fasig-Tipton October.

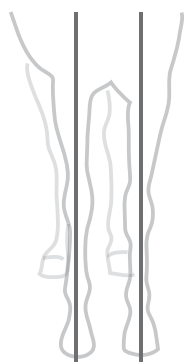
- **Sessions seven through fourteen at Keeneland accounted for 135 graded stakes from 2002 through 2007, including 24 Grade 1 wins. Fasig-Tipton October yearling sale produced another 25 graded stakes wins during the same time period.**
- If you seek quality racehorses, but have a more modest pocketbook, show up and stick around. Buyers make their own luck through hard work, and you never know where the next great racehorse will come from.

AN ILLUSTRATED GUIDE TO CONFORMATION

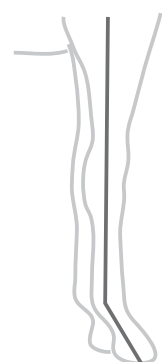


CORRECT CONFORMATION

Normal front end



Normal front end

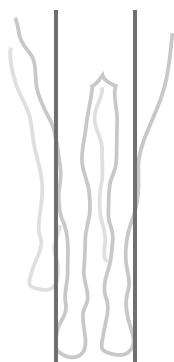


Normal hind leg

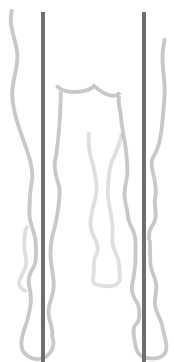


VARIOUS LEG FAULTS

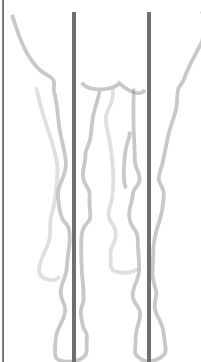
Base narrow



Base wide



Offset knees



Knock knees



Bow legs



Toed in



Toed out



Sickle hocks



Straight hind leg



Bow hocks



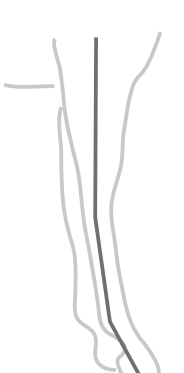
Cow hocks



Over at the knee



Back at the knee



Long,
weak
pastern



Short,
upright
pastern



CBA CODE OF CONDUCT

Members of the Consignors and Commercial Breeders Association (CBA) agree to uphold the following professional standards and Code of Conduct:

A CBA MEMBER WILL:

- Strive at all times to serve the best interests of his or her client.
- Conduct business with honesty, integrity, and fairness toward clients, other CBA members, and the buying public.
- Answer truthfully and avoid intentionally misleading statements when responding to inquiries from prospective buyers.
- Refuse to pay or accept commissions that are not disclosed to the member's principal and refuse to participate in any undisclosed dual agency or other fraud.
- Comply with all applicable sales company rules of sale and with all applicable state and federal laws.



The CBA is a trade organization for breeders and sales consignors of Thoroughbred race horses. Nearly 300 members account for over 75% of the annual auction revenue in North America.

CBA MISSION STATEMENT

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.



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