

Florida law aims to improve auction accuracy

The Ocala Breeders' Sales Co. published amended results for its 2008 August yearling sale on November 21 as called for by a new Florida law aimed at improving auction result accuracy.

The law requires auction companies to disclose—in the same manner they disseminated initial results—any horses reported as sold that ultimately did not change ownership. The amended results must be filed within 90 days of the completion of the sale.

The law was pushed for by Florida owner-breeder Earle Mack and others. It took effect in July, so the August sale was the first to be affected.

“One of the concerns and one of the reasons behind the development of this rule was there was a perception that a lot of horses were being bought back, but they were listed as sold and it was inflating the averages of stallions and other things along those lines,” said OBSC Director of Sales Tom Ventura.

Ten horses totaling \$275,500 were converted from sold to reserve not attained after the update. The most expensive was a Closing Argument colt out of Cove Hill Missile that originally was listed as sold for \$75,000. Kaizen Sales consigned the colt on behalf of Sienna Farms. Four of the ten horses that were converted to RNA had those same connections.

Kaizen's Richard Kent said the horses initially were signed for by Seasoft Stable, a racing stable affiliated with Sienna.

“Basically, they were horses Sienna bred and they were going to transfer them to their racing division,” Kent said. “But they decided not to and instead they'll reoffer them at two-year-old sales. When a horse is reoffered by the breeder there's no sales tax, so it was an advantage not to put them in their racing stable.”



MACK



VENTURA

Photo by Z

Ventura said OBSC usually finds out about the undeclared buy-backs when it attempts to collect the money.

“For the most part when we bill, we are notified it wasn't a sale,” Ventura said. “Sometimes it's a little quicker than that. At the auction, sometimes the consignor will come to us and say, ‘My owner or his agent signed the ticket. It's really a buy-back.’ But sometimes it's 30 to 60 days before we even find out.”

OBSC conducts eight sales in Florida annually. Fasig-Tipton Co. operates one auction in Florida, the Calder sale of selected two-year-olds in training, the world's largest two-year-old sale.

Florida is the only state where auction companies are required to update their results for accuracy. The Kentucky-based Sales Integrity Program officially has not formed a position, but Sales Integrity Program Monitoring Committee Chairman D. G. Van Clief Jr., a former Fasig-Tipton, Breeders' Cup Ltd., and National Thoroughbred Racing Association executive, said it would be considered by the monitoring committee.

“This matter continues to arise and now is a matter of state law in Florida, so I think it's a legitimate question,” Van Clief said.

Ventura said OBSC would not disclose horses listed as sold but that the buyers returned or paid a reduced price. Returns or price reductions can happen based on medical issues that surface after the sale.

“If a horse had a veterinary issue and the buyer and seller agree on a reduced price, that does not have to be disclosed under this rule and I don't think it should be,” Ventura said. “That was the market value at the time, and whatever happened after the fact for them to agree on that reduced price, I think those are legitimate post-sale issues that really don't need to be made public in my opinion.”

“At the fall of the hammer, if the horse sold for \$100,000, then that's what that horse was worth. If ultimately it gets returned for a warranty issue, I think disclosure would have a more negative effect on market value than it should. Sometimes consignors will take a horse back for reasons they're not required to, and there's nothing sinister about it.”

Ventura said he has not finished gathering information on the OBSC fall mixed sale, but he anticipates only a handful of changes.

“We haven't completed October, but I'd say we'll probably have fewer than ten,” Ventura said. “Maybe it's perceived to be a larger issue than it is, so in that sense I think it's a good rule. I think it's something that will help alleviate concerns that people are running up prices on certain horses.”—*Pete Denk*



WORKOUTS

MONDAY				
Horse	Track	Dist.	Time	Rank
Ballast (Ire)	Palm Meadows Training Center	4fT	:49.80b	1/11
California Flag	Santa Anita training	4fAW	:49.80h	1/1
Court Vision	Payson Park Training Center	4f	:48.00b	1/11
Dixie Chatter	Santa Anita Park	6fAW	1:13.20h	4/16
Double Trouble (Brz)	Santa Anita Park	6fAW	1:13.80h	7/16
Dream Empress	Churchill Downs	4f	:50.80b	32/50
Dry Martini	Belmont training	4f	:48.79b	35/125
Gayego	Hollywood Park	5fAW	:59.40h	2/62
Macho Again	Churchill Downs	5f	1:02.60b	5/18
Madeo	Hollywood Park	6fAW	1:14.80h	5/7
Mambo in Seattle	Fair Grounds	6f	1:15.40b	4/6
Model	Hollywood Park	6fAW	1:15.80h	7/7
Precious Kitten	Santa Anita Park	5fAW	1:01.60h	34/63
Racketeer	Santa Anita Park	5fAW	:59.80h	6/63
Real Dandy	Fair Grounds	4f	:50.00b	14/42
Rolling Sea	Fair Grounds	6f	1:13.60b	1/6
Roshani	Santa Anita Park	5fAW	1:03.40h	55/63
Sea Chanter	Palm Meadows Training Center	4f	:46.40h	1/14
She's Indy Money	Fair Grounds	4f	:50.60b	24/42
Silent Valor	Palm Meadows Training Center	4f	:50.80b	11/14
Sky Diva	Fair Hill training	3fAW	:35.40b	1/3
The Niagara Queen	Palm Meadows Training Center	4fT	:50.80b	3/11
Well Armed	Santa Anita Park	4fAW	:49.40b	27/50
Wise River	Fair Grounds	3f	:37.60b	1/3
Zappa	Santa Anita Park	4fAW	:48.40h	11/50

AW—denotes all-weather surface

Note: b-breezing, h-handily; Rank lists horse's workout time compared with all others who worked that distance at the track that day.



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