

NYRA v. Magna – The Battle of the Quotes in 2005

Our 2005 memorable quotes have suffered significantly due to the resignation of Barry Schwartz as the chairman of NYRA and by the reticence of “The Real Donald,” Donald Groth of Catskill OTB, to speak in public. Thanks to the Donald, Volponi and the Breeders’ Cup, 2002 was our best year for quotes. In fact, in order to make up for their twin absences in 2005, we have resurrected one quote from Chairman Barry on NYRA from the fall of 2004.

The past 15 months has allowed us to witness a series of interesting statements about financial issues from those two rival organizations, the New York Racing Association and Magna Entertainment. Since they are likely to be battling over the awarding of the franchise for thoroughbred racing in New York State, 2006 may prove to be a fruitful year for racing quotes. NYRA’s financial remarks tended to be overly optimistic until the fall of 2005 when they became far gloomier. Magna’s non sequiturs – especially Frank Stronach’s declaration that Magna Entertainment “is poised to become “the largest, most profitable company in the world.” – are priceless.

NYRA Statements

Barry Schwartz – Daily Racing Form 10/8/2004 “I think we're through it. I really do. I think NYRA is in a great position now.”

Steven Dunker and Peter Karches – AP 11/4/2004 “NYRA is now ‘close to profitability,’ but didn't give specific numbers.”

Charles Hayward – AP 11/4/2004 "I believe NYRA has made huge strides in the last nine months in hiring people and the monitor has made significant contributions in improving business practices. Clearly it's a challenging situation, but I think it has been a positive one."

Charles Hayward – AP 11/22/2004 “Hayward also predicted that NYRA would likely turn a profit in 2005.”

Bill Nader – Albany Times Union 5/25/2005 “We intend to have the pension fully funded no later than September of this year.”

Bill Nader – Albany Times Union 8/13/2005 “NYRA spokesman William Nader said the lien liabilities will be paid in September.”

Bill Nader - Pensions and Investments 8/22/2005 “Mr. Nader said however, that by Sept. 14, the association ‘will have made all of the payments necessary for 2004,’ as well as the \$1.3 million contribution for the second quarter.”

NYRA – Lexington Herald Leader 10/24/2005 “In the latest revelations, NYRA has said it might be broke before the end of November. That's two weeks following the Breeders' Cup.”

Charles Hayward – Newsday, 11/7/2005 “Charles Hayward, president of NYRA, warned last month that the organization could, in effect, go bankrupt by the end of November.”

Charles Hayward – Daily Racing Form, 12/1/2005 “We originally projected back in the early fall that we would run out of cash by the end of November... We did a little better with the Breeders' Cup than we had expected, but I would still say we're truly looking at the end of this month.”

Charles Hayward AP 12/1/2005 “About \$20 million in new revenue is needed to take NYRA to the fall of 2006, when video slot machines are expected to be operating at Aqueduct race track, Hayward said.”

Charles Hayward – New York Daily News 12/8/2005 “Despite the positives, Hayward admits that the NYRA is running out of time and more importantly money, and would need to know by Dec. 18 if anything was going to be done by the state before NYRA would be forced to file for Chapter 11 bankruptcy protection.”

Charles Hayward – New York Post 12/8/2005 “He feels NYRA will know by Dec. 18, when it breaks for Christmas, whether it must file for Chapter 11.”

Magna

Frank Stronach - 1995 quote in National Post of 7/2/2005 "If I added up all the hours I've spent working over the past 40 years, I probably haven't made much more than the minimum wage."

Frank Stronach - 2004 quote in National Post of 7/2/2005 "[If Magna were a private company] I would make maybe 20 times as much as I do now. It's easy for me to make a \$10-billion company and keep all the profits for myself. I am a very talented person."

Frank Stronach –Lowell Sun 1/28/2005 “I wanted to say earlier that an injustice has been done to Ken Ramsey. Many trainers go to other trainers and say, 'your horse has no chance. Let me run.' The public has not been disadvantaged. I'm sorry for you, Ken."

Frank Stronach- CP 5/3/2005 “Magna Entertainment Corp. is poised to become ‘the largest, most profitable company in the world’ as Internet and televised betting on horse racing widens globally, founder and chairman Frank Stronach vowed to shareholders Monday.

"I always say, if you ride along with me, I think you will do well,"

Frank Stronach – Toronto Star 5/5/2005 “We're builders, not flippers.”

Paul Cellucci - Canadian Business 5/23/2005- 6/5/2005 "George Bush and Frank Stronach both have core principles," says America's former ambassador to Canada, who is vice-president of corporate development at MEC. "And they both stick to their guns. I like that."

Tom Hodgson, President Magna Entertainment - CP 8/5/2005 “MEC is on track for ‘sustainable operating profitability in 2007 and beyond.’”

Scott Savin – DRF 9/2/2005 on Gulfstream "We incurred no damage to the barn area or racetrack," said Savin. "We did have some roof trusses on the new building torn apart, which will probably set construction back about five to seven days."

Scott Savin - Sun-Sentinel 11/2/2005 “Our plan is to be fully operational to run races," Savin said Tuesday morning. "We will also accommodate our patrons. The question will be to what extent. But I'm pretty optimistic we'll be able to accommodate everyone.”

David Einhorn – opponent of Frank Stronach Toronto Star 5/5/2005 “Einhorn described Stronach's stake as ‘trivial’ in view of his control. ‘It would make Fidel Castro blush,’ he said about Stronach's power.”

The Bobby Frankel Quote Machine - called an “irascible Vesuvius of opinion.”
Independent 10/28/2005

On the Triple Crown “You race them early and put pressure on them. If something goes wrong, you're doctoring them up just to get them ready for this one race," trainer Bobby Frankel said. "And if this was another race, you'd pass it. But it's the Kentucky Derby and that's why you get 20 horses.” 12/3/2005 Philadelphia Inquirer

On Winning - 'The thing then, and it always will be, was to win,' he said. 'I've seen guys claim a horse for \$ 10,000 and be happy when it runs second in a \$ 30,000 claimer. They think that's a big deal. Winning is the big deal. People remember winners. Second is the first loser.' Independent 10/28/2005

I've heard things at the racetrack that have been passed down from era to era that are pure bullshit." Id.

On Mike Lakow NY Times 7/15/2005 "This is a guy who worked his butt off," the Hall of Fame trainer Bobby Frankel said of Lakow. "I think he lost 40 pounds since he took the job. This is a disgrace; it's just terrible."

NY Post 7/16/2005 “The meeting was called on short notice at the suggestion of Hall of Fame trainer Bobby Frankel, a Lakow supporter who felt the horsemen were owned an

explanation.

When none was given, Frankel grumbled, they "let [Hayward] off the hook."

NY Post 7/15/2005 "It's a disgrace," said Hall of Fame trainer Bobby Frankel. "They owe us an explanation. It's like the Gestapo, they just chop your head off. It's not right."

On Ghostzapper AP 6/13/2005 "He went out the right way, in a good way," Ghostzapper's trainer Bobby Frankel said Monday. "He did run that one good race this year and if anything, it gave him more respect."

AP 5/31/2005 "I know you dream of winning the Kentucky Derby, but the best dream is to know you have the best horse,"

NY Times 1/25/2005 "In my mind he's the best horse I've ever trained," the Hall of Fame trainer Bobby Frankel said after the Classic. "He's the handicap horse of the year and the horse of the year. It's a no-brainer."

On the 2005 Kentucky Derby Minneapolis Star-Tribune 5/9/2005 "I wouldn't have put any of those California horses in there," trainer Bobby Frankel said. "Walking back, you just said, 'What happened?' Who knows? Maybe it's going to be a screwy year from now on."

Baltimore Sun 5/9/2005 That was a million-to-one shot," trainer Bobby Frankel said of the Derby outcome. "It was just one of those days. One thing it will ensure: a 20-horse Derby field for the next 10 years. When anybody says they don't belong, everybody belongs."

On racinq Wilmington News Journal 5/7/2005 "It's a great sport, it's just been messed up lately," Frankel said.

Daily News 6/ 3/2005 It's not the weakening of the breed," he said. "Horses are running faster now than they were 20 years ago. If you look at sheet numbers back then, horses like Seattle Slew ran 7s. Horses run so fast now that they're here and they're gone."

Better medication and feed are a couple reasons why Frankel thinks horses run faster now. The race tracks, he said, were faster then than they are now.

"In the old days the tracks used to have a 2 1/2-inch cushion, now they have a 4-inch cushion," Frankel said. "The horses are running faster and that's why I can't come back and run him too often. They're running so fast their legs can't handle it. The faster they go, the better chance they have of getting hurt. It's simple physics."

On Intercontinental Lexington Herald Journal 4/18/2005 "I think talent-wise, she's probably as good as any of the turf fillies I've had, but it's just a matter of she's a little difficult to ride. In the morning, she's perfect, but in the afternoon, she likes to go."

On Ken Ramsey San Diego Union Tribune 1/26/2005

Bobby Frankel, who trained Horse of the Year Ghostzapper for Stronach, seconded the no-harm, no-foul theory

On Leroidesanimaux Daily News 10/30/2005 It was the shoes and the outside post that got him beat," Frankel said.

On NYRA LA Times 10/28/2005 "They didn't have the money to build the chute," Frankel said. "And there are a lot of other things around here where the lack of money shows."

On Wild Desert DRF 7/20/2005 I don't know anything about it," Frankel said. "They asked me to run the horse in my name in Canada. That's what I did. That's all I know."

On Saint Liam Louisville Courier-Journal 6/19/2005 "People are congratulating me, but Rick Dutrow and his crew got this horse ready," Frankel said. "I was a little disappointed about the way Badge of Silver ran, so I have mixed emotions - disappointed about that one, but happy for this one. I think he went to the head of the class today."

The Late Kerry Packer

"The truth of the matter is that I like to have a bet every now and again," he told media. "If you go to a casino, you try to win money," Courier Mail 12/28

"I take risks which are for my recreation which sometimes work out, sometimes don't. I think between Mr. Kirk Kerkorian, the owner of MGM, and myself, I'm still ahead." Australian 12/28

"My father was a gambler," he said. "Every man who ever created anything was a gambler." Mercury 12/31

Once he was sitting at a Las Vegas blackjack table where a boastful Texan was talking loudly about his oil wealth. Packer asked him to quiet down.

"Do you know who I am," the man drawled loudly to impress bystanders.

"I'm worth \$100 million."

Nonplussed Mr Packer responded nonchalantly: "I'll toss you for it." Daily Telegraph 12/28

On losing, he said: "I didn't enjoy it. But those are the risks." The Sun 12/28

"The gambling losses this year is less money than I've given to Westmead Children's Hospital," he said. "This is not someone else's money. This is my money and I am

entitled to spend it any way." Daily Telegraph 12/28

"My grandfather went to the races [in Hobart] and somebody dropped ten bob," Kerry Packer once said. "He put it on a horse and it won at 12-1. He bought a ticket to Sydney and went into the news- paper industry and did quite well. That's where my family started from, ten bob on a race course." Daily Telegraph 12/28

"My motto basically is this: Never complain, never explain." Daily Telegraph 12/28

The Others

Susan Bala and Racing Services

Raymundo Diaz 12/21/2004 "I'm just a regular, honest business person."

Susan Bala –7/15/2005 Fargo Forum "I just want you to know, in my heart, I would never do anything illegal," Susan Bala, dressed in all white, told U.S. District Court Judge Ralph Erickson in Fargo.

Susan Bala –7/17/2005 Fargo Forum "The choice for me is I simply couldn't plead to something I know in my heart that I didn't do."

Pete Pedersen

Pete Pedersen - Orange County Register 7/9/2005 "I have this fantasy of being in the winner's circle with one of my horses and having the number come down. In the fantasy, I look up at the stewards' stand and raise my fist and curse at them." retiring as a steward at age 85

Pete Pedersen - LA Daily News 7/15/2005 "We're not in the popularity business. If the stewards were shot, there would be many suspects."

Kevin Modesti on Pete Pedersen LA Daily News 7/15/2005 "Seventy years at the track, keeping one's dignity intact, is a great performance in itself. Let's give this man a hand."

The Continuing Saga of Vernon Downs

Lee Woodward – Attorney Vernon Downs Syracuse Post-Standard 2/12/2005 "Hopefully, this is a great day for Vernon Downs," said Lee Woodward, a lawyer for the track's parent company, Mid-State Raceway.

"I think this paves the way to get the horses back in operation, get the horsemen winning purses again, and to be ready to get our license in place by racing season."

Justice Cheney – Interim CEO Vernon Downs Syracuse Post-Standard 2/20/2005 We don't know how, but we're all anticipating we'll have a 2005 racing season," said Justice Cheney, the track's interim chief executive officer and a member of the Mid-State board. "We'll have to move fast because we're almost at the end of February."

Paul Noyes - President Vernon Downs Syracuse Post-Standard 9/14/ 2005 "It looks like it might be champagne time," said Paul Noyes, president of the Oneida County track's parent company, Mid-State Raceway."

Jeff Gural – also 9/14/ 2005 "I think I've got every base covered," Gural said. "I've settled every lawsuit. I've made deals with everybody. I think I've got it wrapped up, but nothing would surprise me with Vernon Downs."

Deborah Deitsch-Perez - attorney for Shawn Scott also 9/14/2005 "If all goes well, said, Mid-State could be out of bankruptcy by Thanksgiving."

Daniel Borislow - owner of Wild Desert

Buffalo News 6/27/2005 "I've been known to be the largest gambler in the United States and we have to keep the tradition alive in Canada," Borislow said. "We won over \$100,000 (betting)."

Buffalo News 6/25/2005 "We didn't want to run second in the Belmont when we could be first in the Queen's Plate."

Miscellaneous Award Winners

The Claude Raines Award

Michael Billows Centerplate NYRA's catering firm – the Albany Times Union August 25, 2005 Centerplate boss Michael Billows did not respond to a call Thursday, but has said he was unaware of the abuses. Wolfgang Hammer, business agent for the Centerplate employees, did not return calls the past two days. [Emphasis Added]

The Dilettante Award

Getnick and Getnick Albany Times Union 8/23/2005

"Daniel Alonso, chief of the U.S. attorney's criminal division, said because of vacations, the court-appointed monitor, the firm of Getnick & Getnick, failed to provide a report on its 18-month oversight of NYRA. The report will be available within the next three weeks, he said."

Daily Racing Form 9/ 2,/2005 "It has recently become apparent that the vacation schedules of the many parties working towards a final resolution, as well as other time constraints, will prevent Getnick and Getnick . . . from being able to submit its final report to the United States Attorney's Office and the Court before the August 23 date,"

Neil Getnick Albany Time Union 9/15,/2005 "When people look back on this experience, we hope they say this was the time that NYRA found itself again."

The 180 Degree Inversion Award Winner

Alan Hevesi - NY Times 6/15/ 2005 NYRA "the poster child for mismanagement and corruption"

"NYRA takes the cake -- this is the worst agency of all, in my experience," Hevesi said at a news conference in Albany. "It's a remarkable agency for mismanagement and corruption for operating in the wrong way, to the detriment of the people of this state."

Alan Hevesi – AP 9/14/2005 "Two years ago the New York Racing Association was a poster child for mismanagement and corruption," said Hevesi. "While much still remains to be done, the result has proven that reform of even a very poorly managed and corrupt agency is possible."

The Amnesia Award

Gary Stevens - AP 11/26/2005 "Stevens, a native of Caldwell, Idaho, who called Rock Hard Ten the best horse he'd ever ridden." Forgetting about Silver Charm, Point Given, Winning Colors, Thunder Gulch, Victory Gallop, Silverbulletday, Serena's Song, Singspiel, etc.