

Road to the Roses: Investing in your own Derby trail

BY NATALIE VOSS

As this year's Triple Crown season begins, the world will be watching overjoyed owners greeting their horses in the winner's circle. If you are thinking about getting off the sidelines of the racing game and becoming an owner yourself, a great way to begin is by joining a syndicate. Racing syndicates allow you to make a smaller investment with less risk than you would face purchasing a horse on your own.

Every syndicate is designed differently, but Let's Go Stables, LLC founders, Kevin Scatuorchio and Bryan Sullivan, believe their new business model provides the most customer-friendly experience available to new owners.

Previously supported by Scatuorchio and Sullivan's family and friends, Let's Go Stables is now an open syndicate available to anyone interested in owning a racehorse.

THE LGS MODEL

- One-Time Investment
- No Mark Ups
- No Capital Calls
- Performance Based Compensation

Many new owners joining a syndicate are presented with numerous horses to choose from on their own. For those taking their first dive into thoroughbred ownership, this approach can provide a sense of independence but may not yield an informed decision.

In contrast, Let's Go Stables customers have the opportunity to invest in a "fund" containing multiple horses, allowing them several opportunities for success.

Most racing partnerships operate with a team of horseman, pedigree analysts, and veterinarians. For LGS, horses are evaluated and selected for purchase by a team of experts that includes eclipse award-winning trainer Todd Pletcher, trainer J.J. Pletcher, veterinarian Dr. Scott Hay and pedigree consultant Alan Porter.

"Let's Go employs one of the most comprehensive, extensive and rigorous selection procedures that I have seen," said Porter.

With a common desire to race at the very highest level of the sport, Scatuorchio and Sullivan believe their team provides new owners with an

exceptional opportunity to enter the game. "There are a number of syndicates out there with different objectives and business plans," said Sullivan. "Our goal is to provide clients with the opportunity to win the Derby or a Breeders' Cup race."

For both the stable and other related ventures, the LGS team has an exceptional track record and has proven that their lofty goal is attainable with such runners as English Channel, More Than Ready, Scat Daddy, Silent Valor, and Ready's Echo. All of which raced in a Breeders' Cup race or the Kentucky Derby.

Scatuorchio and Sullivan walk into a sale with their capital in hand, as opposed to many syndicates that purchase horses and sell shares from a marked up price to generate profits, a difference which Scatuorchio believes to be distinctive. "Almost every partnership at any level will mark up a purchase anywhere from 15-50 percent or more. We rely on performance for our compensation."

LGS looks to buy highly sought after thoroughbreds at the premier yearling and two-year-old sales throughout the year, while making a private purchase here or there. Some racing syndicates may opt for the weanling market or even look to breed; however, Scatuorchio and Sullivan believe the yearling and two-year-old sales better serve their customers who look for quick action.

After yearlings are purchased for

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a specific fund, J.J. Pletcher breaks the horses and sends them to his son Todd for training, which provides great continuity for horse and owner alike. Along the way, clients are not billed for their horses' expenses; instead, the investment they make in the fund includes purchase prices, all expenses going forward, and a 5 percent fee for managing the stable, allowing owners to sit back and enjoy the ride.

"One of our greatest attractions is that we offer a one-time investment feature: investors know what their bottom line is, and people like to have a timeline on their money. Very few, if any, syndicates offer such a clean and logical approach," said Sullivan.

Generally, a fund will run for two to three years at which point

LGS looks to liquidate their assets in that fund and in turn, investors receive the value of their shares.

Scatuorchio and Sullivan believe that this approach is very important from a fiscal perspective noting that some racing partnerships have horses running well past their prime, ultimately costing the investor money. LGS, by contrast, reevaluates horses in each fund regularly and may sell them during the two to three year period.

"If we've managed a fund properly, then we have sold off our lesser stock at an earlier stage of the fund, while hopefully retaining a star or two, or we'll look to acquire a new prospect for the stable," said Sullivan.

So unlike competing operations, a sale at LGS does not mean that new owners are taken out of the game. Once an LGS fund has run its course and all horses have been sold or retired, owners have the option to make another investment, although they are not obligated to do so. In some instances, LGS may have the option to extend a fund if a particular horse is excelling, as was the case with Ready's Echo, who was runner-up in the 2009 Breeder's Cup Dirt Mile (gr. I).

Scatuorchio and Sullivan continue to aim for that level of success in what they believe is the "model of the future" for syndicates. In fact, this year's fund of 2-year-olds is called "Derby Dreams."

"We've taken an innovative approach in our industry, and I think we provide a unique opportunity for those looking to get in the game when you consider the options," said Scatuorchio.



SKIP DICKSTEIN



REED PALMER

LGS INVESTORS CELEBRATE IN THE WINNER'S CIRCLE AT CHURCHILL DOWNS AFTER WATCHING THEIR 2-YEAR-OLD FILLY MORE THAN MINTED WIN HER DEBUT ON MAY 5TH. MORE THAN MINTED IS POINTING FOR THE GROUP II QUEEN MARY STAKES AT ROYAL ASCOT ON JUNE 15TH.



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For more information visit our website www.LGSRacing.com
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