

PTHHA NEWS

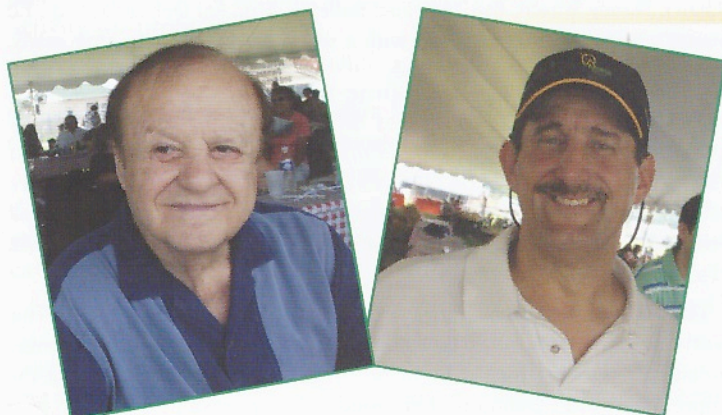
We **ARE** Pennsylvania Racing

PENNSYLVANIA THOROUGHBRED HORSEMEN'S ASSOCIATION, INC.

Issue VI, 2007

Record Crowd Attends 2007 PA Day at the Races

A new venue and huge purse increases are a formula for success!



PTHHA President Larry Riviello and PHBA President Peter Giangulio

On Saturday, July 28, 2007 over 1,000 Pennsylvania Horse Breeders Association members and guests enjoyed a wonderful day in the Picnic area of Philadelphia Park. The event, which has been held in the Turf Club for the past six years was moved this year to accommodate growing crowds.

PHBA Executive Director, Mark McDermott commented, "Joe Wilson and Sal Sinatra went above and beyond to make sure it was a great day for everyone. We really appreciate all they and the Philadelphia Park staff did. Everything was perfect."

Many exciting firsts occurred during the event. This was the first time in Pennsylvania history that any track has had \$1 million in purses; there were four PA sired races, each at \$100K; and the addition of a \$75K state bred steeplechase stakes, the only one in the country.

The day's featured race, the first running of the \$125,000 Smarty Jones Classic went to Donald Campbell's Delaware River. The 6 year-old gelded son of Quiet American won by three lengths. Ridden by Horacio Karamanos for trainer William Campbell, it was his second straight stakes victory, the 11th win of his career. Putonyerdancinshuz took place and Serene Harbor came third.

The \$100,000 Mrs. Penny Stakes, a turf race, was won by favorite Redaspen, owned by Equivine Farm. The 5 year-old Conconi mare won her 5th grass race for trainer Tim Wooley with Victor Molina aboard.

Daniel Ryan's Remain Silent was victorious in the \$100,000 Robert Camac Memorial Handicap. Trained by Michael Pino, the 4 year-old Chester House colt won his first stake in just his third career start on the grass. It was also a milestone win for jockey Kendrick Carmouche, who notched the 1,000th win of his career.

Spring Water Farm's S W Aly'svalentine rallied from just off the pace to win the \$100,000 Ambassador of Luck Handicap for the second straight year. Ridden by Vladamir Diaz, she is trained by John Randolph.

Andrew Bedard's Hissouthernmajesty, a 5 year-old gelded son of Southern Rhythm, won the \$100,000 Nepal Handicap. Trained by Alan Bedard, Harry Vega rode.

The much-improved Secretintelligence continued his hot streak with a convincing win in the \$100,000 Captain My Captain Handicap. With jockey Tony Black aboard, the 4 year-old son of 1999 Pennsylvania Derby winner Smart Guy, turned back a stiff challenge from Power By Leigh and then drew away to win by two and a quarter lengths. It was the third consecutive win for the Tim Ritchey trainee who races in the colors of Win More Stable, Inc.

Banjo Picker, a graded winner two years ago, was back in top form winning the \$100,000 Devils Honor Handicap. It was the second straight Devils Honor for Banjo Picker, a 7 year-old gelded son of Swear by Dixie, owner Danny Limongelli, trainer Steve Krebs, and jockey Tara Hemmings.

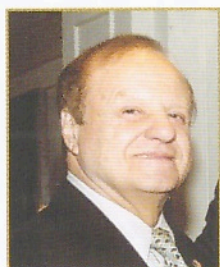
Mrs. Jack Bass' John Law rallied from last in a field of seven to capture the \$75,000 Flatterer Steeplechase, a two and one-sixteenth mile test over fences. It was the second career win for the six year-old gelded son of Deputed Testamony. John Law is trained by Jonathan Sheppard and was ridden by Xavier Aizpuru.

Raging Rapids achieved back-to-back stakes wins with a victory in the \$100,000 Northern Fling Handicap. Jose Flores rode her to this 16th win of her 35 race career. The six year-old Roanoke mare races for Victory Thoroughbreds for trainer Eberd Estrada.

Anthony Merlino's She's Fancy Free took the \$100,000 Ga Hai Handicap. Tony Black rode the six year-old Peteski mare to victory for trainer Phil Aristone.

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THE PRESIDENT'S MESSAGE

By Larry Riviello, President

I thought the summer of 2006 went fast; but the summer of 2007 went faster. Many things happened this past summer.

The PTHA paid off the non-interest advance to purses. Thanks again, management.

Purses increased twice.

Our favorite announcer Keith Jones returned after surgery. Keith has been the tack announcer and handicapper at Philadelphia Park for 21 years; another 21 years to go.

Jockey Carmouche earned his 1,000th career win on July 28th at Philadelphia Park when he rode Remain Silent to win the \$100,000 Robert W. Camac Memorial Stake.

The Pennsylvania State Horse Racing Commission and the Secretary of Agriculture Dennis Wolff along with members of the Pennsylvania Gaming Control Board toured our backstretch. Seeing is believing. I thank all the dignitaries for taking time from their busy schedules to take this very important tour of the backstretch.

The Pennsylvania Horsemen's Awards banquet was held at Celebrations. We honored Dick Jerardi with a plaque for outstanding achievements. Further congratulations to Bob Seeger on getting his 1,000th winner were in order.

Mary Kernan and Kate DeMasi did a great job putting together the silent auction and the ticket drop baskets. Proceeds went to the Philadelphia Park Race Track Chaplaincy and the Granny Youmans Scholarship Fund.

The 28th Annual Iroquois Awards Dinner held at the beautiful Hershey Hotel in Hershey, PA was, as usual, a wonderful affair.

It was a great day of racing on July 28th, more than 1 Million Dollars was given away to Pennsylvania Breds. It was the seventh year of

Pennsylvania Day at the Races. Congratulations to President I. Giangliulo, Executive Secretary Mark McDermott, Assistant Executive Secretary Dorothy Weber, Treasurer Brian Sanfratello and the rest of the committee for providing a delightful day.

Congratulations to our local trainers that won races on Pennsylvania Day at the Races. Phil Aristone captured the Ga Hai Handicap \$100,000 Guaranteed with Anthony Merlino's She's Fancy Free, ridden by Tony Black. Eberd Estrada won the Northern Fling Handicap \$100,000 Guaranteed with Victory 'Thoroughbreds' fantastic race mare Raging Rapids, her jockey was Jose Flores.

Congratulations to all the winners on this momentous day.

Health Planning Committee members, Beth Ann Brown-Gambone (chair), Nancy Wasch, Esq., Michael Ballezzi, Esq., Sal DeBunda, Esq., Ed Simon and yours truly came up with a workable health plan after many, many meetings. This wasn't easy.

Your PTHA will spend over \$1.1 million dollars for an excellent plan to take care of eligible trainers, their spouses and children at minimal cost to the insureds. Details will be made available shortly.

Harold "Hal" Handel, chief executive officer of Philadelphia Park resigned. Joe Wilson, Vice President of operations has replaced Mr. Handel. I wish Joseph the best.

The Pennsylvania Racing and Breeders Coalition met July 31st. This was a regularly scheduled quarterly meeting. The coalition is strongly united and moving forward. In my opinion the future will prove the importance of this coalition. I'm proud to be a part of it.

The Annual Pig Roast was August 31st. As is usual, a fun day of food, music and surprises for everyone.

A first! The Pennsylvania Derby (GII) will have a one million dollars purse. These are exciting times at Philadelphia Park.

Thought of the Day
A reminder - disagreeing is not disloyalty.

TROPHY LIST

DATE	OWNER	HORSE	TRAINER
6/30/2007	Soul to Dare Stable	Smart Alliance	John Servis
7/7/2007	Elizabeth Merryman	So Risky	Elizabeth Merryman
7/14/2007	T-Bird Stable	Bushy's Jule	Pam Shavelson
7/21/2007	Sean Magee	Mojave Sun	Sean Magee
7/28/2007	Thomas McClay, Harry Nye, Ryan Beattie	F Three	Michael Trombetta
8/4/2007	Fletcher & Carolyn Gray	Bonanza Jellybean	Frank Petrozzo
8/11/2007	Knew Stable	Don'ttakememints	John Dunn

HORSE BOARDING BUSINESS OVERCOMES HOBBY LOSS RULES DESPITE REPEATED LOSSES

Kenneth E. Ahl, Esquire, author, is a partner with the Philadelphia law firm of Pelino & Lentz.

One of the most daunting tax rules for an enterprising horse business owner to overcome is the so-called "hobby loss" rule set forth in Section 183 of the Internal Revenue Code. This Code Section was enacted to prevent individual taxpayers from taking losses on business activities engaged in without the objective of making a profit. The classic example of the application of the hobby loss rule is the gentleman farmer who never seems to make a profit in his farming activity, but seeks to write off losses each year. Under Code Section 183, "ordinary and necessary" business expenses and expenses related to the production of income are not allowed in excess of income, if the taxpayer does not engage in the activity for profit.

Code Section 183 does provide a way for taxpayers to defend their losses if they can show a profit from the activity in three out of five consecutive years, or with respect to activities involving the breeding, training, showing or racing of horses, in two out of seven years. This is why knowledgeable tax professionals often advise their clients to structure their business model to produce an occasional profit. But, what if despite your good efforts you still cannot show a profit? Are your business losses denied?

In the recent Tax Court decision of *Rozzano v. Commissioner*, 94 T.C. Memo 2007-177, the taxpayers were entitled to deduct losses arising from their horse boarding business notwithstanding the fact that they had never shown a profit over the course of 10 years operation.

In 1989, Michael and Rose Rozzano bought a tract of land which contained a barn, an indoor horse arena, pastures, and residence. They used it as a residence until 1992, when Michael became employed in Chicago, five hours away by car. The taxpayers then decided to operate the farm as a horse boarding business, making use of the indoor arena, adjacent fields, and the 27 stall barn that was already located on the property. They hired a person to run the day-to-day operations and commuted each weekend to the property to oversee the operation and work on the farm.

Between 1993 and 2003 when the property was sold, 40% to 65% of the stalls were rented. Each weekend the Rozzanos spent 6-8 hours of each weekend day mowing, mucking the stalls, and mending the fences. Between 1993 and 2000, the Rozzanos reported losses for all years from the horse boarding activity. On audit, the IRS disallowed their losses for years 1999 and 2000. The taxpayers appealed the IRS determination to the U.S. Tax Court.

The Court determined that the horse boarding activity was conducted in a business-like manner and evidenced a continued intent to operate a profitable business. The deducted losses were thus allowed. The decision provides valuable guidance for other taxpayers with similar businesses.

To be continued in PTHA News vol. VII

CHAPLAIN'S CORNER

By Chaplain Jack Cordell

A MATTER OF PERSPECTIVE

Who is the richest man on earth? Is it Bill Gates, Warren Buffet, or a Saudi prince? It's none of the above. The world's wealthiest man is Mexican business titan, Carlos Slim. He is worth \$59 Billion. That's a lot! But Mr. Slim, known for his generosity, has stressed a sense of responsibility to his three sons. In a speech accepting an award from the World Education and Development Fund, he said, "Many people want to leave a better world for their children. I'm trying to leave better children for my world." What a noble goal, what a great perspective.

Most people would like to attain wealth, to live comfortably, and to provide the "good life" for their family. These are worthy goals, for sure. But if we live only for riches and ignore God, Jesus asserted that "anyone who stores up things for himself but is not rich toward God" is foolish. Each of us will give an account to God, not riches.

A man who maintains a good perspective on life is Robert Fulghum, who has gained fame and fortune as an author. In one of his books is a picture of the gravesite he has selected. He visits that spot of earth as a reminder to keep his eyes on heaven's treasures. As he gazes on the grave, he says to himself, "Don't get lost here. Know where you're going." That's living here with God and hereafter in view. It's a matter of perspective. ■



NOTICE!

PTHA nomination meeting to occur on September 27, 2007 at 11:00 am in the Recreation Hall, Philadelphia Park.

In the Spotlight



Peter Giangliulo, President Pennsylvania Horse Breeders Association

Born to Italian immigrant parents in 1948, Peter has been involved with horses all of his life. Castle Rock Farm, the family farm he and his wife Stephanie own jointly with sister Barbara Geraghty and her husband Bill, was purchased by their father Joseph in 1957. Stephanie and Peter have been married 22 years and have a daughter, Amanda, a senior at Unionville High School. Amanda is becoming very interested in the business since one of the farms promising fillies Miss A.G., was named for her. Another farm star, Prince Joseph, by Harry the Hat out of a Carnivalay mare, Barcar, was named for the family patriarch Joseph, and the Geraghtys' grandson. Both Prince Joseph and Harry the Hat stand at Castle Rock.

Peter fondly remembers his fathers philosophy on horse racing, "You're not trying to win a race, you're trying to make a racehorse," and he strongly adheres to this principle.

Castle Rock Farm was the leading recipient of breeder awards in 1975 and 1976, the first years that standings were recorded. Peter became involved with the Breeders Association when his father declined a position on the Board and encouraged his son to take the public role. He has served as President from 2005 to the present. He is extremely complimentary of his board. "I have such a strong group of people on this board. They are all passionate about horse racing and breeding and each one has varied perspectives and positions on issues," says Peter. "Pennsylvania racing in the past had small changes over a large time span, now we have large changes occurring over a short time period. Issues are changing so rapidly we need to be sure we can act on them in a timely manner."

The recent P A Day at the Races held at Philadelphia Park on July 28 elicited high praise and optimism from this dedicated horseman, "Everyone at Philadelphia Park worked so hard to make this event the success it was. Joe Wilson and Sal Sinatra worked diligently with Mark McDermott and the PHBA staff to provide not only a wonderful party atmosphere, but also a \$1,000,000 race card. I would also like to thank PTHA President Larry Riviello and Executive Director Mike Ballezzi along with the Philadelphia Park horsemen for giving up a day of racing to make this special day possible."

BACKSIDE *View*



Hunter Martel, 8 year old son of jockey agent Robert "Bobby" Martel and his wife Dianne, won two gold medals in the North American Grappling Association (NAGA) tournament. This is the largest tournament of its kind in the country. He went undefeated in the 50 lbs and under weight class and is now nationally ranked #1 in the under 50 lbs category. Hunter weighs in at a whopping 39 lbs. Daddy Bobby was all over the place showing the photos of Hunter in competition. A proud Papa indeed.

The Annual Pig Roast was Friday, August 31st. Rocco Gabriella emceed the music and provided entertainment. Chaplain Jack Cordell held his annual raffle to benefit his chaplaincy here. There were games and activities for the children and great fun and good food. A good time was had by all, the event was held from 11:00 am til 4:00 pm.

Nikki Yager's mother, Jane Nugent recently passed away. In addition to Nikki she is survived by her son John "Jerry" Nugent, Jr. and another daughter Deborah Scheidts, six grandchildren and 1 great-grandchild.

Steve Krebs' nephew Howard Krebs, III passed away very unexpectedly on August 14th. He was 38. The whole family is mourning his loss.

If you have news to report please contact the PTHA office and we may get it in a future edition.



SEND YOUR HORSES TO GLENVIEW FARM IN SOUTH CAROLINA *YOU'LL BOTH BE HAPPY!*

The Money's Rolling In For Recent Glenview graduates:

She's Fancy Free - Winner of 100,000 Ga Hai Stakes, PA Day at the Races, total earnings of \$250,000

Speechifying - Third \$100,000 Ga Hai Stakes, total earnings of \$111,000

ThisisfortheB - PTHA Trophy winner

Elvia's Rose - winner at Philly

Setitandforgetit - winner a Monmouth

Thundersword - won first time out - NY - 3 starts, 3 wins

Senior St. Pat - won Rise Jim Stakes

Earthen Vow - recent winner at Monmouth

Brushed Prince - won MSW at Saratoga 8/19

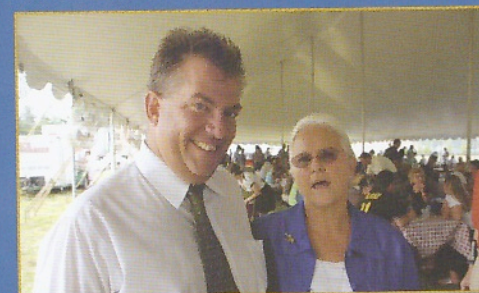
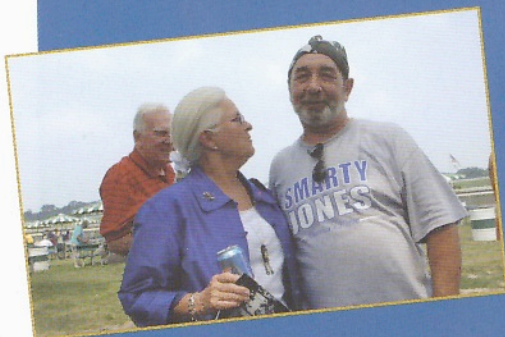
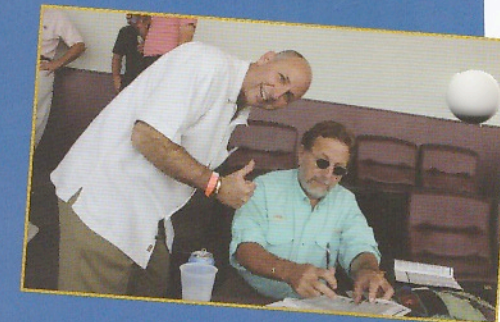
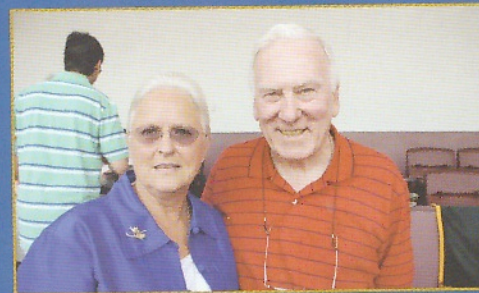
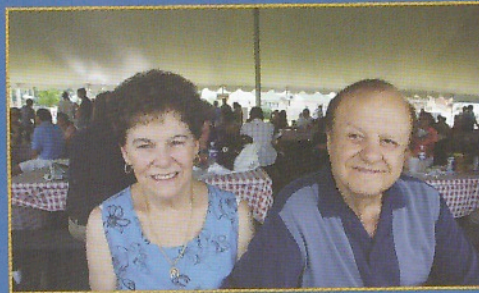
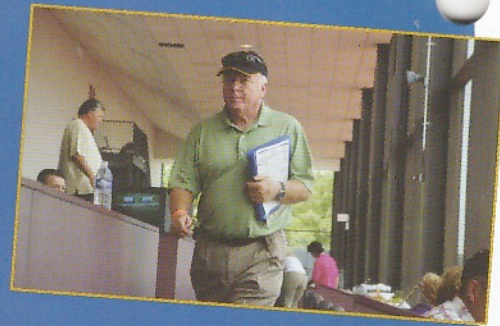
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For more information and to make a reservation call Doris Rabon: (843) 495-0634
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2007 PA Day at the Races



Photos by Robert P. Weber



On Top and "In Front"

in the Horse Industry !

*Actual photograph of Green Boardroom
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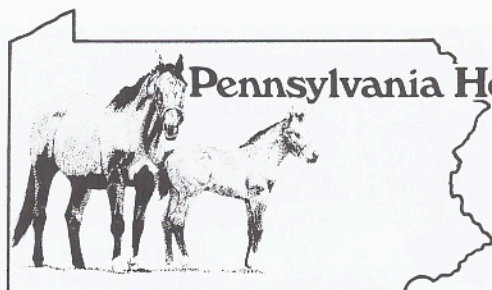
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Pennsylvania Horse Breeders Association

PENNSYLVANIA'S \$20,000,000 BREEDING FUND PROGRAM 2008 FOAL REGISTRATION REQUIREMENTS

FOAL REGISTRATION ELIGIBILITY CRITERIA - A Thoroughbred foal born in the state of Pennsylvania in 2008 and registered as such with The Jockey Club is eligible for Pennsylvania-Bred registration with the Pennsylvania Horse Breeders Association if at least one of the following conditions is met:

- (1) The dam of the foal resided continuously in Pennsylvania on or before October 1, 2007, through foaling; or
- (2) The dam of the foal was purchased at a public sale after October 1, 2007, then brought into Pennsylvania within 14 days of the date of purchase, and remained in Pennsylvania through foaling. During the year of foaling (2008), the foal or its dam must spend at least 90 days in the state; or
- (3) The dam of a foal will be bred in 2008 to a stallion standing in Pennsylvania which is registered with the Pennsylvania Horse Breeders Association as a Pennsylvania stallion, and said dam of the foal will remain in Pennsylvania for at least the next 90 days after foaling.

please direct any inquiries to:

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