



Pennsylvania Thoroughbred Horsemen's Association, Inc. NEWSLETTER

SPECIAL EDITION

INDEPENDENCE DAY FOR PENNSYLVANIA'S HORSEMEN

Shortly after 2 A.M. on the morning of July 4th, 2004, Sal DeBunda, a Director and First Vice President of the PTHA, and Mike Ballezzi, the Executive Director of the PTHA, along with Gary Babin, a member of the PTHA's lobbying firm of Wojdak & Associates heard the vote that the long awaited slots bill had passed the Pennsylvania House!!! This passage along with the approval two days earlier by the Senate meant that Pennsylvania finally had its Slots Bill. When Pennsylvania Governor Edward G. Rendell affixed his signature on July 5, 2004 to the legislation in the winner's circle at Philadelphia Park, with many state political leaders and racing industry leaders as observers, including PTHA President Larry Riviello, Mike Ballezzi, Sal DeBunda and other members of the PTHA Board, the Slots Bill became law.

This bill will truly be a new beginning for Pennsylvania Racing and hopefully bring financial and other independence to all the horsemen in our great Commonwealth. The bill includes the following provisions:

- 14 gaming facilities including 7 racing sites (3 thoroughbred and 4 harness)(Class I), 5 stand-alone facilities (2 in Philadelphia and 1 in Pittsburgh)(Class II) and two resort locations (Class III).

- Each licensed Class I and Class II slot facility will contribute 12% of its Gross terminal revenue to a Race Horse Industry Development Fund. That Fund will then distribute back to each racetrack facility (Class I) a share of the Fund directly proportionate to its percentage participation to the Race Horse Industry Development Fund.

- When all the Class I and Class II licenses have been issued and are operating, it is mandated that each race track facility will receive from that Fund 18 % of the Gross Terminal revenue at that facility.



Back Row Left to Right: Ray Hamm, Larry Riviello, Mike Ballezzi, Mark McDermott, Sal DeBunda, Brian Sanfratello.
Front Row Left to Right: Bob Green, Gov. Rendell, Sen. Tomlinson.

When all sites are operating, it is estimated that almost \$60 Million in additional funds for Horsemen will be generated annually just from Philadelphia Park slots. This is based on only 3,000 machines being in use.

- 3,000 slot machines will be permitted initially at each Class I and Class II facility and 500 machines at each Class III site. They may be increased up to 5,000 machines after six months based on a showing of need. It is expected that Philadelphia Park will be one of the first slot facilities to be operating and will have 5,000 machines after six months.

- 80% of the Horsemen's funds will go to purses. These funds will be deposited into a separate interest bearing account with all the interest accruing to the horsemen's purse account, unlike the current arrangement with funds from pari-mu-

tual betting. It is anticipated that purses at Philadelphia Park will reach \$350,000-\$400,000 a day when the slot parlors are fully operational and could reach \$500,000 a day with 5,000 slots at Philadelphia Park.

- 16% of the Horsemen's funds at each Thoroughbred facility will be paid to the Pennsylvania Breeding Fund. This contribution will be combined with accrued pari-mutual Fund moneys and distributed in accordance with the existing statute governing that Fund. It is hoped that this contribution will enable the Fund to eventually return to the 40% owner bonus for PA Breds.

- 4% of the Horsemen's funds will be contributed into a separate interest bearing account controlled by the PTHA to be used for medical and pension benefits for its members. The plans for such ben-

efits must be approved by the Pennsylvania Racing Commission. The PTHA Board will begin work soon on setting up these plans.

- \$5,000,000 of backstretch improvements are required by the bill at each existing racetrack facility during the first five years and a minimum of \$250,000 and a maximum of \$1,000,000 as agreed to by mutual agreement between the horsemen and the operator in years 6-10. This means that a minimum of \$6,250,000 and a maximum of \$10,000,000 will be made in backstretch improvements during the first 10 years. In addition, a training track will be built pursuant to our current contract once the bill is passed and a new contract is entered into.

- Live racing will continue at both Philadelphia Park and Penn National under the current schedule - 200 days at

Continued on page 3

THE PRESIDENT'S MESSAGE ...



LARRY RIVIELLO
President

History was made on May 1st in the Kentucky Derby, May 15th in the Preakness Stakes and the Belmont Stake on June 5th.

Smarty Jones won two of the three legs of the Triple Crown.

Smarty Jones' career earnings are \$7,613,155. Eight career victories beat 93 horses. The total number of lengths he won by 36 1/2, lost by 1 length in his nine race career.

Smarty Jones, the Chapmans and John Servis brought honor and prestige to our horsemen and horsewomen at Philadelphia Park. Smarty Jones became America's horse, a horse with charisma; a real champion.

When should a champion retire? I can remember when Joe Louis, a great heavyweight champion brought honor to our country in defeating Adolph Hitler's champion boxer Max Schmelling; knocking him out in two minutes of the first round.

Champion Joe Louis couldn't retire he owed money to the IRS. Joe Louis was knocked out of the ring by Rocky Marciano. I witnessed this bout. Tears came to my eyes. I'll never forget that bout.

Smarty Jones is retiring as a champion and will always remain a champion. History will prove he was one of the greatest.

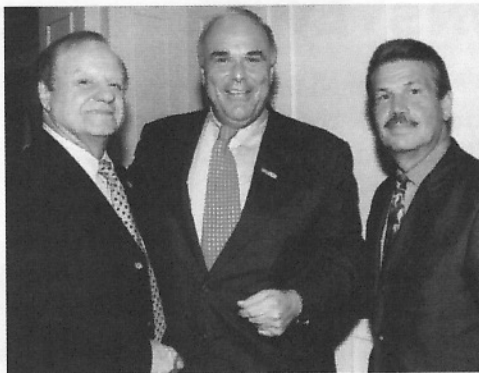
Let us not forget Smarty Jones was very influential on the slot issue.

On July 5th at 10:30 AM in the Philadelphia Park's winner's circle Governor Edward Rendell

signed his signature to legislation passed by the Senate and the House to allow slot machines in the Commonwealth of Pennsylvania.

This slot issue has been going on for eight years. Many thanks to Governor Rendell for having the foresight to know the importance of slots to the Commonwealth.

I also want to thank the PHBA for work-



PTHA President **Larry Riviello**, Governor **Rendell**, and PTHA Executive Director **Mike Ballezzi**.

ing in unity with our horsemen's organization. Thanks to Mark McDermott, executive secretary and Ray Hamm, president.

Many thanks to Executive Director Michael P. Ballezzi and Vice-President Sal DeBunda for all the work they contributed. Many, many meetings were held and many negotiations took place. I know I attended all of them.

Date - Friday, July 23rd the National HBPA held their Summer 2004 Convention in Portland, Oregon.

One of the most important committees is the Wagering and Alternative Gaming Information Committee, chaired by Michael

Ballezzi. After many months of negotiations Mike negotiated a contract with Steven and Associates, giving our affiliates and the National HBPA a revenue source and a greater percentage than anticipated, through the establishment of a South American Hub in Barbados. The Hub will create a common pool and allow the NHBPA to monitor and collect source market fees for horsemen.

Mark Reid, a former vice-president of our organization, had a tragedy happen on July 25th. David, his youngest son drowned.

David was twenty years old, a senior at Villanova College and an outstanding football player on the varsity team, #73. David would have been twenty-one on July 30. Our prayers go out to Mark and his family.

Congratulations to the following:

Peppy Addy Stakes, \$50,000 Added for Pa Breds 3 year olds won by Prince Joseph, owned by William & Barbara Geraghty and trained by Anthony Correnti.

The Pistol Packer Handicap, \$50,000 Added for Pa Bred fillies and mares won by Caught in the Rain, owned by Heligbrodt Stable & Walter New and trained by Guadalupe Preciado.

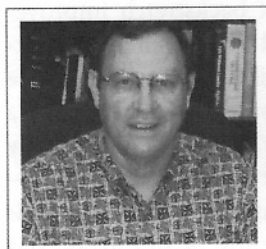
The Iroquois Handicap, \$50,000 Added for 3 year olds and upward PA Breds won by Prince Joseph, owned by William & Barbara Geraghty and trained by Anthony Correnti.

The Claiming Crown @ Canterbury Downs - the Rapid Transit \$100,000 Added won by Heroic Sight, owned by Mary Kernan & Charles Biggs and trained by John McCaslin ♦

THOUGHT FOR THE DAY

Honesty is the foundation for success

Chaplain's Corner ...



CHAPLAIN, JACK CORDELL

STAYING CALM IN THE STORM

by Jack Cordell

At the height of the Smarty Jones media attraction, I thought about how John Servis and Stew Elliott were handling the hoopla. Surely, the pressure on them was unbelievable. During those eventful days, I ran across wise words in the Bible, and passed

them on to Stew. The apostle Paul urged his young friend, Timothy, "But you keep your head in all situations." To their credit, both Stew and John stayed steady throughout the wild ride. They did us proud.

Paul, the man of God, knew that life would bring times of extreme pressure and uncertainty for Timothy. The same is true for all of us. In those moments, we must not panic, but stay focused and keep moving. But how do we stay strong in turbulence? Based on the apostle's example, it takes one key ingredient - heart. In fact, several people have told me that Smarty Jones ran so well because he had "heart". Having heart gives that extra edge to win, to endure. It's

having heart that enables us to keep our head in difficult times. If our heart belongs to God, we can keep a clear head and a sure focus even in the worst of situations.

The former mayor of New York City, Rudy Giuliani, tells how he has gotten through difficult meetings during his lifetime. When he was growing up, his father taught him a profoundly important truth. He told Rudy, when everyone else is distressed, he must remain the calmest person in the room. His father's advice made Rudy a leader. Staying calm in the storm gets us through the situation. In short, when our heart is in God's hands, our head will stay clear in the worst of circumstances ♦

Penn National and 210 days at Philadelphia Park.

• While the statute does permit the racetrack operators to operate slots without a signed live racing agreement, they are only permitted to do so if they continue to conduct living racing as scheduled, keep its racetrack open to the general population of owners, trainers and horses stabled there, continues to comply with all provisions of the most recently expired racing agreement, including recognition of the existing horsemen's organization as the sole representative of the horsemen and pays purses in accordance with such expired agreement plus the revenues from slots.

• Simulcasting approval will still require a written live racing agreement under the provisions of the Race Horse Industry Reform Act.

A new seven member Gaming Board will be established. They will issue the gaming licenses and regulate all other aspects of the statute. It is anticipated that slots could be operating anywhere from 15 to 18 months from signing.

There are many people to thank for their dedication and work on this long awaited declaration of horsemen's independence:

Governor Edward Rendell, who made slots a primary and general election issue and part of his economic package for Pennsylvania. Secretary of Legislative Affairs Steve Crawford and Senate Agriculture Committee Executive Director Kristin Ebersole for their work on and support for the horsemen's portions of the bill.

Senator Vincent J. Fumo, who along with his counsel, Christopher Craig, authored most of the final version of the bill

and who was one of the strongest advocates for the interests of the Pennsylvania Horsemen throughout the long legislative process.

Senator Robert "Tommy" Tomlinson, for his many years of support for slots and whose strong determination to pass the bill overcame the strong opposition from his own Republican leadership.

The Senate Democratic caucus, which unanimously backed the bill in the senate, and the nine Republican senators who had the courage to look beyond their leaders and vote in favor of this important legislation.

House Speaker John Perzel, Minority Leader Bill DeWeese, Minority Whip Mike Veon and Rep. Gene DiGirolamo and the other 107 House members who worked for final passage during the debates leading up to our Independence Day.

Special thanks goes to the Pennsylvania Horse Breeders Association, its President, Ray Hamm and its Executive Secretary, Mark McDermott and the other members of its Board, for their cooperation and support during this long and difficult process.

We also want to thank our Lobbyists, Steve Wojdak and Gary Babin, as well as other members of their firm, for their efforts on behalf of our horsemen and their issues.

Special thanks also to the PTHA President, Larry Riviello, for his support and participation in this endeavor, including long days in Harrisburg. Also, special thanks to the other PTHA Board members for their support even when prospects for

passage seemed dim. They were unwavering in their support. And, of course, a special thanks to our office staff for their total commitment to the Board and the horsemen at Philadelphia Park in this effort.

We save our last special thanks for Mike Ballezzi and Sal DeBunda, without whom there would not be the economic and protective language for the Horsemen in the slots bill. All Pennsylvania Horsemen owe them their gratitude for a job well done.

The dogged determination and leadership of Mike Ballezzi to get a 'fair share' of slot revenues, protect live racing and protect horsemen's rights energized all the horsemen in the Commonwealth. Mike's ability to communicate the horsemen's story to all the legislators who were willing to listen, was vital in acquiring a 'fair share' for horsemen.

While Mike Ballezzi had the determination and the vision of what Pennsylvania racing could be, it was Sal DeBunda who joined in this vision and translated that vision into writing by authoring all of the provisions affecting the horsemen in the slots bill and using his special relationship with Senator Fumo, his counsel, Christopher Craig, and other legislative leaders, with the support of our lobbyists, to make certain that these provisions were included in and stayed in the final version of the bill. Thank you Sal for this extraordinary effort on behalf of our horsemen.

The PTHA Board, its President and the other Officers along with its staff look forward to the new day in Pennsylvania racing which lies ahead and to continue serving all the members of the PTHA during our new Independence ♦



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NOTICE

PTHA

Annual Meeting
Wednesday 9/22/04
Celebrations
at 6:30 pm

Nomination Meeting
Wednesday, 9/29/04
at 11:00 am
in the Recreation Hall
Philadelphia Park

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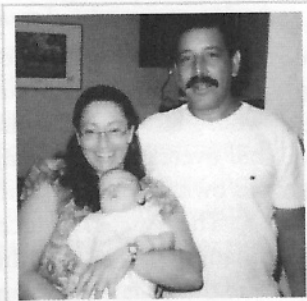
Backside View

BABIES, BABIES, BABIES

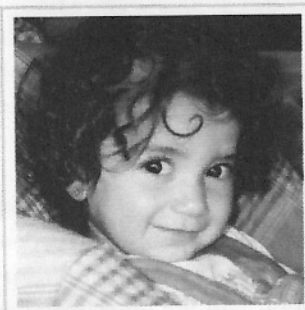
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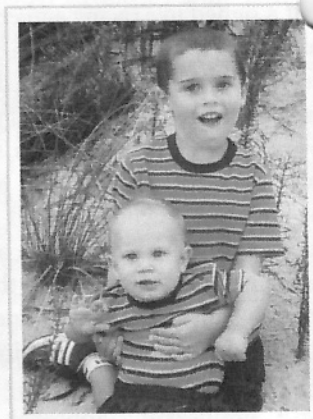
Cora Lynn Lake, born 8/25/03, joins her sister *Emily Rose*, father *Scott Lake* and mother *Jennifer Stisted*.



Richard Vega, Jr. was born 6/3/04 to the waiting arms of his father *Rich Vega*, mother *Barbara Schrader* and sisters *Marley* and *Carly*.



Juan Carlos and *Lisa Guerrero* welcomed beautiful **Lisa Bella** on 9/19/03.



Big brother *Brian Anthony* keeps watch over **Sean Conner**, born 12/1/03 while on vacation with their parents *Kimberly* and *Robert Swentkowski*.

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