



Frequently Asked Questions

What is the philosophy of Red Star Stable?

Red Star Stable is being established for 10 individuals to own 10% each of a \$20,000 thoroughbred race horse. The primary goal of Red Star Stable is to have fun as a thoroughbred race horse owner. The co-owners of Red Star Stable must recognize that a Thoroughbred race horse is not a machine; it cannot be programmed, nor perform on command. Thoroughbred race horses are often temperamental and unpredictable. Like a child, a Thoroughbred race horse doesn't always live up to one's expectations. Good parents are prepared to deal with ups and downs, emotional and financial, of parenthood. So too are successful owners!

Why become a Co-Owner?

Thoroughbred Horse Racing is the ultimate sports adventure. It's a miniature version of owning, for example, a professional sports team. As a fan of horse racing, have you ever wondered what it's like to be the owner of a winning thoroughbred? Have you ever thought about how much fun it would be to be in the winner's circle after a victory? The anticipation of race day, the anxiousness in the paddock before the race, and the rush you get from seeing OUR horse in OUR silks come onto the track and run down the stretch with a chance to win the race is available to all co-owners.

What are the risks of owning a Thoroughbred Race Horse?

While participating in Thoroughbred racing offers an exciting opportunity, it is nonetheless a speculative opportunity. The game offers high risk, high emotion and high excitement. There is a possibility that our horse will not generate any revenue. There is the possibility that we might lose our investment or sell the horse for less than the purchase price. There is a possibility that our horse will become injured. There is a possibility that we will lose money. These are the types of risks in owning a Thoroughbred.

How much will a horse cost?

We are looking at claiming a \$20,000 horse. Each 10% interest will cost \$2,000 for the horse. We will incur monthly costs (training fees, veterinary fees, insurance fees, entry fees, transportation fees, etc). Although it is impossible to predict the exact fees each month – it is estimated that the monthly “maintenance fees” will be \$3,000 to \$3,300. This estimate is based on interviews with various trainers in Southern California and also experience of other owners. Each 10% interest is estimated to be \$300 to \$330 per month. Each owner will receive detailed statements showing every dollar received into the co-ownership and every dollar paid out of the co-ownership. Maintenance fees will be assessed on a quarterly basis to cover estimated expenses for the upcoming quarter. If there is a surplus or shortage of funds, the billings will be adjusted accordingly.

Why a \$20,000 Claiming Horse?

There are a few primary ways to acquire a race horse: Breeding, Yearling Sales, Private Sales, or Claiming. To breed a Thoroughbred, or to purchase a Thoroughbred at a yearling or private sale, is very expensive, time consuming, and involves a greater risk. Claiming horses brings immediate action - you can claim a horse and be in the winner's circle two weeks later. Unfortunately, not all horses have the ability to compete and win at the top level (Stakes Races). There are many other levels of Thoroughbred Horse Racing (i.e. the claiming, allowance). An owner's financial resources ultimately dictate the level at which one competes. Stakes caliber horses often sell as a two year old at yearling sales in excess of \$500,000! We will be relying on the expert judgment of our trainer to select a horse that will be competitive (and win races) at the current claiming level or higher levels.

Will our horse win “Big Bucks”?

Probably Not! The “Big Bucks” come from owning stakes horses, and it's extremely rare for those to come out of the claiming ranks. The only practical way to obtain a stakes horse is to buy one before they have raced (usually at yearling sale) or breed one yourself. Only about three percent of the foals born in North America will someday win a stakes race (even a small one). It's a lot like wildcatting in the oil business. You drill 20 wells in hopes of finding one big producer.

The “typical” purses for \$20,000 claiming races in Southern California range between \$10,000 and \$30,000. This means that the winners share will between \$6,000 and \$18,000 less Jockey and Trainer portions of the purse.



Who will train the horse?

We are in the process of interviewing trainers that participate in the Southern California circuit. We will select the trainer that is reputable and will meet the needs of Red Star Stable.



Which horse will we select?

We will take the advice of our trainer and their staff in selecting our horse. Additionally, we will review videos from previous races, perform research on the bloodstock, and utilize some basic common sense. If co-owners have a strong opinion or have expertise in this area, their input is strongly encouraged.



Where will our horse race?

We expect to participate in the Southern California circuit (Santa Anita, Hollywood Park, Del Mar, Fairplex). However, we might ship the horse to another circuit (Northern California for example).




How much of my time will this take?

Unfortunately, to answer this question you will need to ask yourself: How involved do I intend to be? You can spend very little time (read periodic updates, statements, etc) to spending a few days each month (attending races, attending workouts, etc).




Should I purchase a horse for myself or participate in a co-ownership?

The amount of money and the amount of time you have to spend on Thoroughbred Horse Racing activities should guide you in determining the appropriate form of ownership. Obviously, there are advantages and disadvantages to each form. What level of control do you wish to maintain? Are you the type of individual who must call all the shots, assume all the risks, and have all the glory? Or, are you the type who prefers to spread the risks and share the rewards?

 **What do I need to do to be a co-owner?**

You need to sign the co-ownership agreement and send in your portion of the claiming fees and the first 3 months of maintenance fees (Maintenance cost will not begin until we claim a horse). For a 10% interest, this will total \$3,000 (\$2,000 for 10% of the \$20,000 claimer + \$333 maintenance fees for month 1 + \$333 maintenance fees for month 2 + \$334 maintenance fees for month 3). You will also need to obtain an owner's license from the CHRB (California Horse Racing Board).

 **What do the silks look like?**

The Red Star Stable silks will be white with the Red Star logo on the back, white sleeves with red cuffs, and red helmet cover. Below is a drawing of the silks:

