

The Home Court Advantage: Barretts Equine Sales

By Mary Forney

A major focus of TOC's continuing education seminars are the various means to acquire racehorses – whether it is through breeding, the claiming ranks, private purchase, or at auction. Our experience suggests that equine auctions may be the least understood, as well as most underrated, means of acquiring a Thoroughbred.

This article takes a look at California's premier regional sales company, Barretts Equine Limited, its importance to local owners as a market for good horses at reasonable prices, and some of the methods by which successful buyers have utilized the sales. We spoke to Jerry McMahon, president of Barretts in Pomona, and to several owners, trainers, and agents for whom the Barretts sales are an integral part of their racing program.

According to The Jockey Club Information Service, Barretts – which has been conducting Thoroughbred auction sales in Southern California for the past 17 years –

annually provides approximately 18 percent of the racehorse inventory competing at California tracks. In 2007, Barretts' catalogued horses accounted for 1,506 starters at California tracks, and earned \$29,427,759. Those statistics alone point to the importance of this marketplace to California's racing industry. Yet, surprisingly, many owners are unaware of the buying opportunities that exist right here in our own State.

Over the years, Barretts' auctions have produced more than 150 graded stakes winners, including Eclipse and Breeders' Cup champions. Among the many well-known Barretts graduates are Brother Derek, Awesome Gem, Greg's Gold, Cash Included, Dubai Escapade, Henny Hughes, Sinister Minister, Dream of Summer, Brocco, Came Home, Kalookan Queen, Larry the Legend, Officer, Sharp Cat, and Unbridled's Song.

Established to provide the breeding and racing industry in California with a permanent sales facility and full-service sales

company, Barretts conducted its inaugural sale in March of 1990. Six auctions are now held annually, including sales of two-year-olds in training, horses of racing age, yearlings, and breeding stock. It's a wonderful place to sell horses too; the first million dollar two-year-old in training, Unbridled's Song, sold for \$1.4 million at Barretts' March Sale in 1995. The highest-priced California-bred of all time, Unbridled Slew, sold for \$2.5 million at Barretts' 2006 May Sale of Two-Year-Olds in Training.



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“Barretts provides a local marketplace, where California owners can operate,” said McMahon. “A buyer can do all the due diligence necessary, and find virtually the same quality of horse that one would at the eastern sales. And they can take full advantage of the fact that the horses are here on the grounds two to three weeks in advance of the sales.”

“What we're doing with the March and May markets is bringing horses trained and devel-

oped in a variety of places and putting them at the doorstep of the California owners and trainers,” McMahon continued. “We're making it possible for them to buy good horses on their own turf.”

For instance, according to McMahon, conditions of sale applying to wind in Kentucky are very specific and are written to protect the seller. “Ours are much more general, are aimed at a much more reasonable standard, and are more buyer friendly,” he said. “Here you are operating in your home state, with California state laws applying, and our arbitration processes, which are really user friendly. Additionally, all of our horses sell with bone warranties, which do not exist in Kentucky. In fact,” he concluded, “Kentucky's entire industry is sales-centric; ours has evolved to be much more buyer friendly. It's a buyer's market here.”

That's good news for the many Californians taking advantage

of the benefits of dealing in a local marketplace. One who has had tremendous success working the Barretts sales is trainer Dan Hendricks, whose purchases have included Brother Derek, Grey Slewpy, Irish Bar, and Indian Sun.

“I think the success of Barretts has been that they’ve gone out and brought horses into California to sell. Since the beginning they’ve been able to assemble a strong group, including quite a few eventual Breeders’ Cup and Derby runners. It’s an opportunity in California to acquire horses that will compete at a high level, right in our own back yard,” said Hendricks, who is a regular at the March and May sale training previews.

“When you get familiarized with all the agents and the way horses travel over that small track,” he explained, “it helps you, and you have an advantage here. It’s a matter of having the time, and you can do it over a ten-day period – compared to going back east for the last preview in the sale and trying to jam it all into three days.”

Owner Pablo Suarez, whose Barretts purchases have included Hot Weekend, Absolute Nectar, and Ice Lady, is also a proponent of the local marketplace. “When you claim a horse, you never know its true condition. At a sale, you can inspect the horse, and look at radiographic x-rays. And at Barretts, you know and relate to more consignors and can talk to them. It’s like your home court; you’re comfortable with the setting because you live here.”

Northern California owners Curt and Lila Lanning purchased Gentle Charmer for \$17,000 from the 2003 October Yearling Sale at Barretts. She has since posted seven wins, including the \$150,000 California Cup Distaff, and earnings of more than \$300,000. Curt Lanning, who buys several head a year from Barretts, usually yearlings, commented, “Barretts does a good job with their selection process. They’ve culled down to the better horses in the state, and coming from out of state.”

Trainer Bob Baffert, whose Barretts purchases include Officer, agrees. “Barretts serves as an injection of horses into California – they bring them to us.” He added, “The pinhookers know they’re coming a long way, so they bring pretty good horses. They want to make sure they get sold.”



Barretts' Median Sales Prices

Sale	2007 Median	2006 Median
January Mixed	\$4,500	\$3,500
March Two-Year-Olds	\$147,500	\$80,000
May Two-Year-Olds	\$25,000	\$27,000
June Horses of Racing Age	\$4,700	\$6,000
October Yearlings	\$11,000	\$16,000
October Mixed	\$3,500	\$2,850

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Trainer Mel Stute, whose Barretts purchases over the years have included Score Quick, Klassy Kim, Quick Little Miss, and Hurry Up Austin, provided his perspective on the sales. Stute, who also buys stock in Kentucky and Maryland, said, “Of all



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the sales, Barretts is my number one. The prices are the most important thing for a fellow such as myself... and they are really nice to me here at this sale. At the last sale, I bought one for a client, brought it home, worked it, and he came by and watched the work. But when I went to his office to pick up a check, he changed his mind,” Stute explained. “I told Barretts I needed another week or two, and ended up buying it myself. They worked with me on that.”

The Cal-Bred Advantage

“You can’t have a breeding industry without some form of regional outlet,” said longtime California bloodstock agent Kathy Berkey. “A lot of owners are also breeders. Barretts is there for them both ways – as owner/breeders who have stock they want to sell, and as buyers who want to fill their racing stables.”

“The regional sales markets seem to have the ‘Rodney Dangerfield’ problem – they don’t get enough respect,” Berkey continued. “There’s a psychology that you have to go somewhere else. But I think buyers make a mistake if they think they can only go to whatever other market to buy good horses. It’s been proven time and time again that you can get good horses out here, like you can anywhere else. Oftentimes, you can get better buys in the regional market rather than going into the larger market; there’s less competition.”

Berkey is also a vocal supporter of the California-bred program. “Anyone who races in California should have an eye on the California-bred program because there are a lot of benefits to Cal-bred owners. Anyone looking for a balance should say, ‘I need to have a couple of good Cal-breds in the barn,’ so they don’t all have to run against each other.”

Lanning is one owner who has reaped the benefits of the California-bred program. “We go to Barretts every year to buy horses,” he said. “We used to go to Kentucky and Florida, and we found that having Cal-breds is better because you have more opportunities here in California. It makes more sense to have a Cal-bred if you can. Out of 100 horses, about three or four of mine are from Kentucky or Washington, and once they’re gone I won’t buy anything but Cal-breds. I firmly

believe in the program here in California.”

Suarez also supports the California-bred program, and said, “Barretts’ niche is offering California-breds more than any other sales facility in the nation. If you can find a good horse that is a Cal-bred, you are already ahead in the game.”

Working the Sales

What’s the best way to tackle the sales? McMahon advises, “Your expert monitoring, watching, looking, gives you a big advantage over people flying in for three days. It’s often prohibitive to pay for an agent to be out of state for three weeks. It appears to me that the people who do the most homework do better at buying horses.”

Depending on the sale, successful buyers have very distinct methods. Hendricks, who has developed quite an art for working the two-year-olds in training sales, said, “Basically because it’s in our own backyard, it’s easy to see almost every horse in the sale. Personally, I have a way I watch and grade all the workouts. I rule out a certain percentage that I don’t like at all on the track, and there’s a small percentage I really love on the track.” He continued, “But you can’t always tell by the way a horse works. I put everything together with the breeding in the catalogue, and go from there.”

Hendricks starts working in earnest about two weeks before the sale. “By the time they have the first preview, I start looking,” he said. “I try to spend as much time as possible out there between racing and training... I don’t have someone who ‘short lists’ horses for me; I do it all myself. It’s a lot of work, but it’s well worth it,” he noted. “From the Barretts training sale, I usually find five or six horses a year that fit my program.”

Baffert also believes in the benefits of putting in time at the training sale previews. “It is getting tougher because with that track, some horses can zip around the corners, some can handle the turn, some cannot... At the end of the day, the times are a big factor, but how they did it and how they are made tells you a lot also,” he said. “Sometimes I will go out and watch a work show; sometimes the videos are all I need. If you are looking for ‘sleepers,’ you have to do a lot of homework. It’s like anything.”



he concluded, "Then, you have to get lucky."

Suarez works the two-year-old sales with a team of advisors. "I watch the previews, but also have a bloodstock agent scour the entries, we compare notes, and vet the horses. I thoroughly enjoy going through the sales book. We go to one or both previews, and go out a day or two before the sale to re-look at my short list," said Suarez.

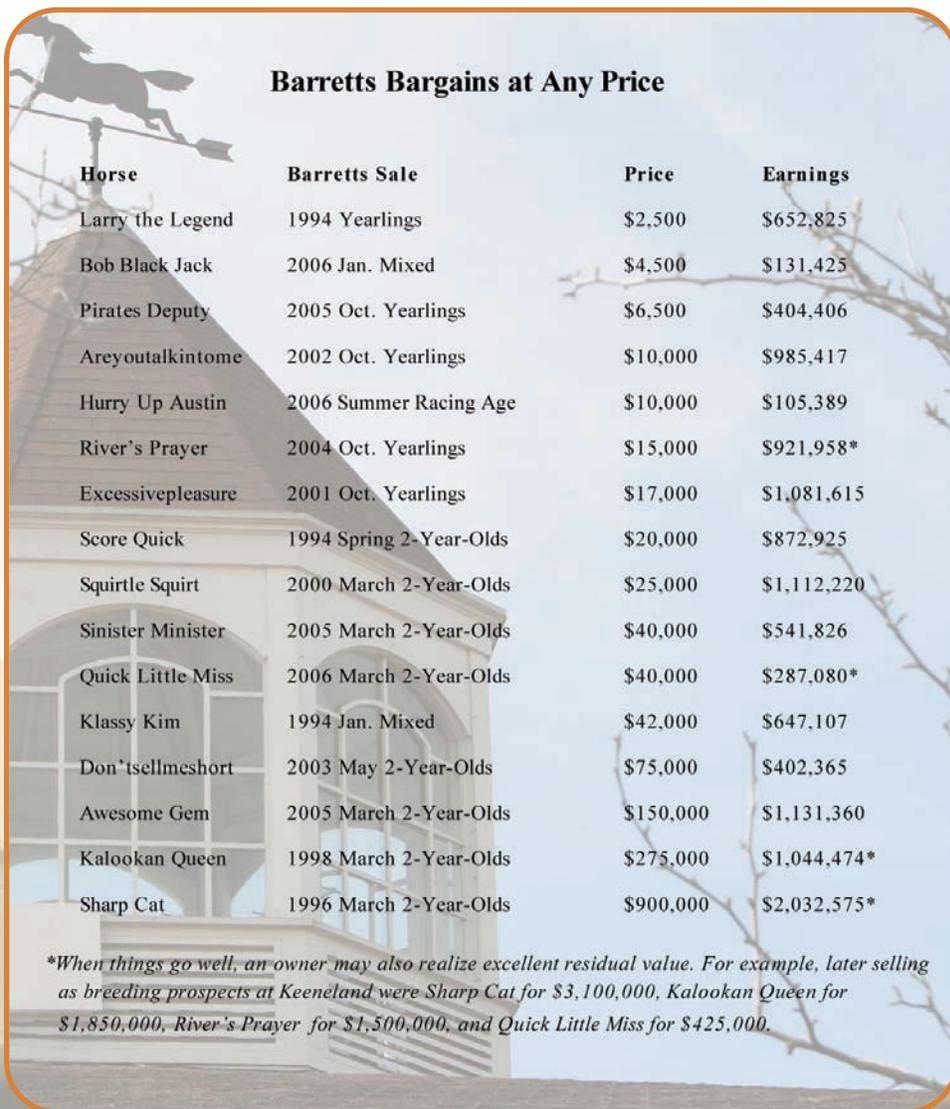
Lanning works with his trainer at most sales. "Ed Moger and I go back to the barns and look at them prior to the sales," he said. "We pretty much know what we're going to bid on before they hit the ring. We know most of the consignors," he added, "because we've dealt with them over the years."

Like Hendricks, Stute is one who does it all himself. "I've been training for so many years around here that I know a lot of the mares," he explained. "I kind of pick lesser-known sires because in my price bracket I'm lucky to be able to bid \$50,000. So I have to pick young sires that I think will do very well. I pick six to eight out of the catalogue, and then stay out back where they walk them around and look for a certain kind of horse that I like."

In talking with many trainers and owners who have purchased at the sales, it is apparent that Barretts plays an important part on the California racing scene. Berkey summed it up best: "People buy and sell horses for many reasons, and in every case there's a dream involved. I wish people would support Barretts. I don't think a lot of owners really understand how important the whole system is to keep racing vital in our region."

Barretts' upcoming sales include the January sale of mixed stock on Jan. 22-23, the March sale of selected two-year-olds in training on Mar. 12, and the May sale of selected two-year-olds in training on May 13. For more information, visit their web site at www.barretts.com.

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Barretts Bargains at Any Price

Horse	Barretts Sale	Price	Earnings
Larry the Legend	1994 Yearlings	\$2,500	\$652,825
Bob Black Jack	2006 Jan. Mixed	\$4,500	\$131,425
Pirates Deputy	2005 Oct. Yearlings	\$6,500	\$404,406
Areyoutalkintome	2002 Oct. Yearlings	\$10,000	\$985,417
Hurry Up Austin	2006 Summer Racing Age	\$10,000	\$105,389
River's Prayer	2004 Oct. Yearlings	\$15,000	\$921,958*
Excessivepleasure	2001 Oct. Yearlings	\$17,000	\$1,081,615
Score Quick	1994 Spring 2-Year-Olds	\$20,000	\$872,925
Squirtle Squirt	2000 March 2-Year-Olds	\$25,000	\$1,112,220
Sinister Minister	2005 March 2-Year-Olds	\$40,000	\$541,826
Quick Little Miss	2006 March 2-Year-Olds	\$40,000	\$287,080*
Klassy Kim	1994 Jan. Mixed	\$42,000	\$647,107
Don'tsellmeshort	2003 May 2-Year-Olds	\$75,000	\$402,365
Awesome Gem	2005 March 2-Year-Olds	\$150,000	\$1,131,360
Kalookan Queen	1998 March 2-Year-Olds	\$275,000	\$1,044,474*
Sharp Cat	1996 March 2-Year-Olds	\$900,000	\$2,032,575*

**When things go well, an owner may also realize excellent residual value. For example, later selling as breeding prospects at Keeneland were Sharp Cat for \$3,100,000, Kalookan Queen for \$1,850,000, River's Prayer for \$1,500,000, and Quick Little Miss for \$425,000.*

