

### **Strike 3**

On Sunday evening, David Borenstein, the Director of Mr. Nobody Against Putin, winner of the Academy Award for Best Documentary Feature said, "Mr. Nobody Against Putin is about how you lose your country. What we saw when working with this footage is that you lose it through countless, small, little acts of complicity..."

In my original Letter to the TDN of February 9, I wrote, "For too long, I have been a complacent and complicit member of the silent majority. The stakes are too high to remain silent. They are too high right now and far too high for the generations that will follow us."

That is why I am now writing "Strike 3."

While I am in no way comparing The Jockey Club to Vladimir Putin, I am concerned that we, the stakeholders, are losing our industry, our country.

The Jockey Club has made tactical errors for weeks in its response to calls for transformational reform.

I entered the debate with two TDN letters following the Club's January 27 rebuttal of Mike Repole's challenges. The first addressed the tone of that response. The second highlighted the shortcomings of the February 13 "Industry Impact Report," including glaring insults like the fact that The Jockey Club's executive salaries outweighed its total contribution to aftercare, among other damning matters.

I considered those Strikes one and two.

After Chairman Everett Dobson's keynote at the National HBPA Conference on March 4, I nearly issued strike three. Dobson's statement that The Jockey Club's financial contributions to the industry were limited to the interest earned on cash in coffers plus profits derived from its for-profit subsidiaries—when the Club is sitting on over \$40 million—along with their intention to revisit a mare cap, were both messaging and political mistakes that I believed deserved challenge.

Instead, I reached out to the only Jockey Club Steward who had contacted me since my first letter to ask about Dobson's call for "collaboration and unification."

A few days later at OBS, another Steward invited me to a meeting with him, a second Steward, and Jockey Club President Jim Gagliano.

I accepted.

Rather than formulating my opinions primarily from an outside perspective, I would now be able to see and hear it from The Jockey Club representatives from the inside.

The meeting began with fair questions. If you were in charge, what would you do first? How would you increase the foal crop? What would it take to make you an advocate for The Jockey Club?

I answered with real ideas, most of which were met with either a negative response as to why what I was suggesting couldn't be done, an alternative I believed would be ineffective or by redirecting me to what The Jockey Club was doing about the issue at hand, little of which I felt was sufficient or acceptable, let alone impressive.

I was also asked whether I had noticed a cultural shift in The Jockey Club since the Chairmanship had changed. My answer was no. That led to my own question: Why does the former Chairman still have a seat at the table?

I was told he remains an owner. Technically true. But in November 2024, while serving as Chairman of The Jockey Club, a "Complete Dispersal of Stuart S. Janney III" was conducted at Keeneland.

While foal crops and field sizes are declining, the acting Chairman effectively exited the game, publicly.

Janney may no longer be Chairman, but he remains a Steward of the Jockey Club, a Director of the New York Racing Association and an influential voice.

I offered an opinion of: If the outgoing Chairman did not want to continue a 100-year legacy breeding program, how can we trust his input to steward the industry?

Their response to me was swift. My position was dismissed as "too personal" and "unfair."

Again, this is not personal. It is about principle.

Although I don't think the representatives of The Jockey Club with whom I met "get it," I recognize it is OK for us to disagree on solutions to problems. However, the vehemently defensive response I received regarding the point I was trying to convey about Janney made it black and white to me that The Jockey Club remained the same from a cultural perspective.

Having now experienced direct conversations, which I had hoped would in fact show some change in The Club's culture, I am now more unsettled than ever. Yes, I credit the Stewards and Gagliano for taking the time to meet with me. But, their grades are not based on attendance. They are based on substance, and I emerge from the meeting deeply concerned that even if I were to, for the sake of argument, say they acknowledge the problems within The Club and the industry at-large, they do not possess the tools to remedy those problems effectively.

The person in charge of execution has been there for over 20 years, serving as President and CEO for 16 of those years. Whether observing from afar by reading his PP's or from within the tent while in action, it is obvious he has proven incapable of carrying out strategies beneficial to the majority of stakeholders. CEO's get removed every day if their results are not satisfactory to shareholders. As shareholders, we deserve a new CEO.

The Jockey Club's long-standing strategy has been to apply temporary fixes to the industry's problems. And, for decades, we have accepted that and remained quiet, which is precisely what The Jockey Club likes. That is very clear to me. But, the standard has been raised and accountability is now being demanded.

The momentum mounting from what has previously been referred to as "the silent majority" leads me to the stark notion that the status quo will no longer suffice to keep the constituents quiet.

Stakeholders no longer nod along with The Jockey Club's statements, accepting them and moving on. They are challenging their every word. Complacency and complicity are waning.

Confident that awareness has been achieved, I needed to test The Jockey Club's stated willingness to collaborate, which is the next step in any big picture strategy. Before leaving, and with the caveat that I was not representing Mike Repole in any way, I urged The Jockey Club representatives to re-engage with Repole. I do not know his legal strategy, but Mike's rhetoric regarding potential litigation has been clear and I have little doubt he will follow through.

I entered the meeting optimistically, believing they would agree, or at least consider meeting with Mike again, as I felt litigation would harm everyone involved, most importantly, the industry.

My plea for them to reengage and collaborate with Repole was met with resistance, if not an outright refusal. And that is why I am now convinced that while some of Mike's tactics leave some with a sour taste at times, The Jockey Club is to blame for allowing the situation to boil over.

Call Mike whatever you want. He is not wrong. I now understand, firsthand.

Meanwhile, the pressure continues to grow. Pat Cummings and the National Thoroughbred Alliance have rallied stakeholders, and now the Kentucky Legislature has joined the conversation, adding language to HB 904 warning The Jockey Club to stay out of policy debates like the mare cap (for the second time in five years, no less).

Between Mike's growing brigade and lawmakers firing their own shot across the bow, the alarms around The Jockey Club are impossible to ignore.

Yet the organization seems tone-deaf to those blaring sirens. It should be so simple, but it isn't, and that may be the most troubling part of all.

I know stakeholders want answers, solutions to the issues threatening our industry. This is not a quick-fix. This is a heavy lift. Step #1 was to raise awareness that a revamp of the industry's only quasi-governing body is necessary. Step #2 is to forge collaboration, which I am concerned has hit a stalemate, now paving the way for a more aggressive option to effect the requisite change. Only then can solutions be found.

No one likes upheaval, it's uncomfortable. But, sometimes you must let go of the old, broken, or stagnant to create space for something stronger, better, and healthier to grow back.

Believe Big!

Aron