

PAULICK REPORT

A TEAM OF NEWCOMERS

by [Ray Paulick](#) | 11.19.2010 | 12:10pm



Pluck in Breeders' Cup winner's circle

Getting new investors is the lifeblood of any racing partnership, and no one understands that better than Barry Irwin, who operates Team Valor International.

Irwin, a one-time journalist and long-time racing partnership impresario, did a little brainstorming a couple of years ago and came up with something he called a "newcomers program" that offered shares in horses to first-time buyers only.

"The best thing I could come up with was to give them a 'slam-dunk' horse, price it right, give them terms that allow the new partners to pay it with four payments over six months," said Irwin. "The first horse was Sailor's Cap, a horse I bred myself. He'd already won a race and then after we syndicated him went on to win the (\$600,000) Colonial Turf Cup at Colonial Downs."

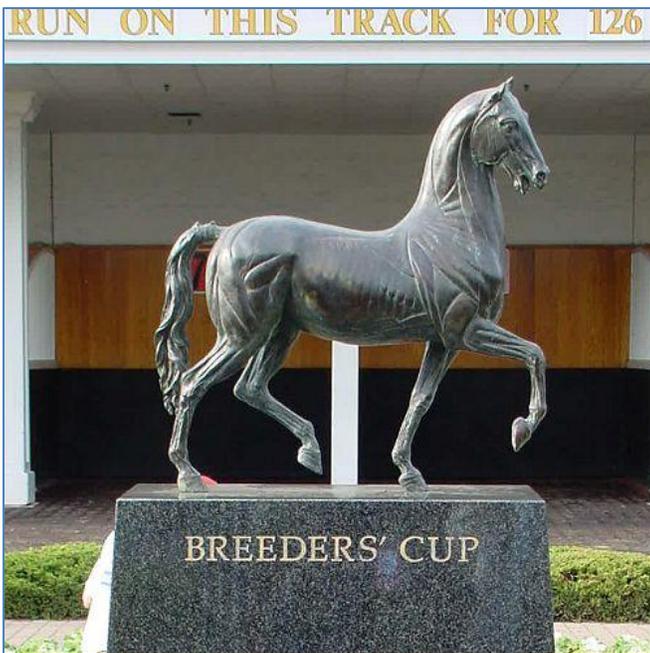
Last year, Irwin opted to put into the newcomers program a son of More Than Ready that Team Valor bred. The colt, Pluck, went on to win three of five starts in 2010, including the Nov. 6 Breeders' Cup Juvenile Turf, and earn \$730,000.

"He was a late yearling, and had already breezed when we priced him at \$180,000," said Irwin. "He is a beautiful horse, with good conformation, just awesome looking. I sold 5% interests at \$9,000 apiece. There's 10 new people involved in that one."

Though the price of each piece is small, Irwin said nearly every one of the new partners has the financial wherewithal to buy the entire horse.

“One is co-president of a national bank in Canada,” he said. “Another owns his own oil business in Houston, another is vice president of a trust and wealth management bank in New York City, another is head of an orthopedic and sports medicine clinic in Cincinnati, another lives in Michigan and used to play professional hockey and now works for Hewlett-Packard and is the main guy dealing with GM on a computer network. There is a couple that lives in Hot Springs (Ark.): he is a financial planner with three offices and his wife owns a popular pancake shop there. Another is a plumbing contractor with 31 employees, we’ve got a state of New York employee doing fiscal policy for health care for the state, a woman who is retired state court judge from Oregon, and one is from Cincinnati and owns companies that provide data services for lawyers around the country.”

All of them, Irwin said, had shown previous interesting in joining a racing partnership, but “this was their first plunge with us.”



Part of the attraction of the newcomers program is the low entry level. “They put up \$9,000 and get billed quarterly in advance,” said Irwin. “As purses are earned they are paid within a week. I’ve done this a long time, obviously, and one thing I’ve learned is that there is hardly a man alive who can buy a horse without his wife’s consent. We have the spousal factor because most times the wives are in control of the checkbook.

“Some partnerships might sit on the money the horses earn or use it. We don’t want to tie up a guy’s money.”

The partners not only earn any purses the horse may win, but they benefit from any upside in residual value. In the case of Pluck, Irwin said, there already are offers from stallion farms in Australia.

“We received three calls from people in Australia who want either to buy part of the horse or acquire Southern Hemisphere breeding rights,” Irwin said.

Irwin bought Pluck’s dam, the South African mare Secret Heart, by Fort Wood, after Zimbabwe-bred Ipi Tombe won the Dubai Duty Free in 2003 for a partnership that included Team Valor.

“I bought six or seven mares,” he recalled. “The charter had 30 horses and I bought about half a dozen mares. It cost \$53,000 per horse to fly and go through quarantine.

Secret Heart was one of the mares. I liked her because she had a half sister I tried to buy and the owner wouldn't sell. She has good international pedigree, and is a big, good-looking mare. She didn't do that well her, placed in a couple races, so I retired her and bred her to More Than Ready."

Team Valor recently announced that all of its U.S.-based horses, including Pluck, will be trained by Graham Motion and be based in a 40-stall barn at Fair Hill training center in Elkton, Md. Pluck had been conditioned by Todd Pletcher.

"We've got 30 in training in the U.S., 15 in South Africa, and five in Europe," Irwin said. "When the industry is in a down cycle like it is now, we all have to do whatever we can to make it as attractive as possible to own horses. Everybody has to be innovative. We all have to produce and try to answer the question of 'how are we going to move that product?' You've got to make it so attractive to potential owner that they can't resist."