

# Fighting words from Stronach

By STAN BERGSTEIN

TUCSON, Ariz. - Heavyweight fights are not what they used to be, but racing has a beauty on its hands right now.

With Churchill Downs in one corner and Magna Entertainment in the other, this one matches racing's two biggest giants.

It turned into a battle last week, when Frank Stronach in effect challenged Churchill by lending support and endorsing the people Churchill has called "conspirators and price-fixers," and is suing in federal court for alleged antitrust violations.

At the center of the ring is the Thoroughbred Horsemen's Group, which represents 18 or 19 horsemen's associations, and leaders of the Kentucky and Florida HBPA, among others.

Churchill is suing them for what its lawyer David M. Schiffman says is "price-fixing, pure and simple." Churchill accuses the THG of being "ringleaders" of an alleged conspiracy to unlawfully increase revenue shares from Internet, telephone, and mobile wagering devices.

The horsemen have cited their rights under the Interstate Horse Racing Act of 1978, but Schiffman says that act contains no exemption from antitrust laws and does not say that horsemen's rights are "absolute, without regard to other federal statutes."

This was a fight between the two combatants, Churchill and the horsemen, until last Thursday, when Magna announced it was "continuing discussions with the Thoroughbred Horsemen's Group aimed at improving the economic condition of the horse racing industry through the development of more equitable pricing and distribution models for advanced deposit wagering." The release was not merely a corporate statement. It went on to give the strong personal views of Stronach, Magna's chairman and CEO.

Gray, as most know, is not Stronach's favorite color. He much prefers black or white, and he left no doubt where he stands on THG, at least at the moment.

"We welcome the opportunity to work with the THG as a national agency assisting local horsemen's groups," he said, adding, "We are having very constructive conversations with Bob Reeves and Wilson Shirley of the THG. We all understand horse racing faces major challenges, and I personally believe that a national horsemen group could be very beneficial in addressing major national issues like advanced deposit wagering pricing and distribution strategy. I am hopeful that in the near future we will develop a new framework which will improve the economics of the horse racing industry for both racetracks and horse owners."

If Churchill had hoped for track unity in its battle, it would appear that Stronach - its joint venture partner in Tracknet - dashed the hope by embracing its legal enemy of the moment. His expression of endorsement for THG, and warm embrace for Reeves and Shirley, both included in the Churchill suit, had to be about as welcome in Louisville as Gustav on the Gulf Coast.