



News and information for the Standardbred Racing Industry

Provided by the Cloverleaf Standardbred Owners' Association

June 2007

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Message from CEI President Kelley Rogers

Dear Horsemen:

I was recently elected as President of Cloverleaf Enterprises Inc. (CEI) by your Board of Directors and will do my best to protect our business, grow our business and maximize racing and purse opportunities for our horsemen. I also want to take this opportunity to thank outgoing President Gerry Brittingham for his years of service and hard work.

Your Vice President is Steve Proctor and your Secretary/Treasurer is Tammy Lafferty. These individuals put in a significant amount of time dealing with various management issues. We are all supported by the other members of the CEI Board including CSOA President Thomas Cooke, Doc Davison, Eli Solomon, Dale Massey and Bob Weyforth. I am looking forward to working with these individuals on behalf of our horsemen.

This letter will be a little longer than most you will receive from me but I want to do my best to keep you informed of the on going business of your race track. It is very important that you, as a horseman, have good solid information. I will do my best to see that you get that information.

I am going to cover several subjects in this letter so everyone will have a clear picture of our financial condition, issues that affect our future and on going operations.

CEI Finances

Thanks to the efforts of CEO Tom Chuckas and CFO Rolly Lucian we have secured a loan with Mercantile Bank for the mortgage on Rosecroft. The loan was secured under favorable covenants and at a very reasonable interest rate of 6.8%.

All accounts payable of Rosecroft are current and in good order. Our audit was recently completed and approved by the CEI board and the Maryland Racing Commission.

Our handle continues to be a primary concern for management. Presently, we are approximately 10% down in our wagering handle year to date. This is primarily driven by poor simulcasting results from the Thoroughbred racetracks. I should also point out that we are on par with our counterparts such as Laurel, Pimlico and Ocean Downs. Management is working diligently to increase our live handle and draw people to the track for simulcasting.

We will continue to monitor our financial situation and keep you apprised.

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Benefits to Horsemen

CEI exists to run our business for the maximum benefit off our horsemen. This means keeping our business in a sound condition and providing maximum benefits to horsemen in terms of racing opportunities and purses. This year we will provide the following direct benefits in addition to keeping our business in sound operating condition:

- Purses in the amount of 4.7 million
- Operation funds for the Cloverleaf Office of \$200,000
- Co-Payment of Horsemen's Insurance Premiums of \$600,000
- Operation of the Rosecroft backstretch of \$400,000

Building On-Site Handle

Our management team has taken the wish of the Board of Directors to try to build Rosecroft's on site attendance through the addition of many activities. This year we will have rugby in the infield, concerts outside of the grandstand, a handicapping tournament, betting promotions, drawings, special radio personality appearances and a rodeo in the fall.

We recently (May 18) sponsored a boxing match and drew over 500 people to the track—many for the first time. Our boxing card was well received and we were able to turn a modest profit and expect our crowds to increase for our next card on August 3rd. It is our hope that at least some of these fans will become aware of racing and return to the track for a night of betting.

It is our belief that these types of special outside activities will help us expose Rosecroft to people who have never been exposed to us before and that will help us build interest in racing at Rosecroft. Our initial indications have been very good and the view is that these activities are very much positive.

One specific example is the recent number of rugby players who are staying over for the races after their rugby matches on Saturday. These people who participate are young, have disposable income for leisure activities and a wide social circle. These are exactly the type of people we need to brighten our future and this is why we will continue these types of programs and add more like it in the future. Rosecroft is open for business.

Staffing Levels

Management has reduced staff this year in an effort to position our company more strongly. Our CEO has assumed the duties of Director of Marketing and Director of Operations. Additionally, many of our existing employees are assuming other responsibilities to save money on overhead. It is important for you as a horsemen to know that your Board of Directors and your management team understand the need to be judicious with every dollar especially as it relates to overhead.

Marketing

CEO Tom Chuckas has assumed all marketing duties for the track at this time. In addition to our promotions we are utilizing sponsorships, special events for outside groups, radio advertising and special promotions as well. Also, Tom is presenting our case to the local news media and I am enclosing a recent article from the Washington Times for your review.

Rosecroft fighting to stay in the race

- Track expands entertainment, aims to survive

By Tim Lemke - THE WASHINGTON TIMES
Published May 5, 2007

About 600 miles from Churchill Downs but less than a mile off of the Capital Beltway, Rosecroft Raceway serves as one of just a handful of places in the Mid-Atlantic that offers live harness racing.

But an aging and distracted clientele, coupled with stiff competition from tracks in neighboring states, is forcing raceway officials to open their minds to other streams of revenue.

Rosecroft chief executive officer Tom Chuckas is spearheading an effort to bring new events to the Fort Washington track, scheduling a night of boxing on May 18 and allowing the facility's 125 acres to be used for everything from rugby and soccer to a rodeo and concerts.

"We're trying to create a sense of activity here and bring in some younger people, and use the facility to the best of our ability to maximize those things," Chuckas said. "One of the things I find is that people go, 'Oh, Rosecroft. That's something from the 1940s, with peanuts and sawdust on the floor.' Granted, the facility is 50 years old. But everybody I get out here has a good time. And I think we are diversifying and trying as many things as we can handle."

Rosecroft will play host to an array of Kentucky Derby-related promotions today, offering a 10 percent bonus on all winning Derby bets, while also encouraging customers to dress in vintage clothes as part of a "Racing Elegance of Yesteryear" contest. But in the coming weeks it also will branch out with the first of three nights of boxing on May 18, followed the next day by a concert featuring singer-songwriter Donovan Chapman. Rosecroft also plans to hold a rodeo in October, and Chuckas is solidifying agreements with several sports groups including US Lacrosse and the Hoop it Up 3-on-3 basketball tournament about use of the raceway's grounds.

The Washington Rugby Football Club decided to play its annual Cherry Blossom tournament at Rosecroft in April and is exploring paying as much as \$15,000 in rent to make the facility its home field.

"We had been looking for a long time for a place to play where we had a good relationship with the people who owned it," club president Kevin Tiffit said. "We had become sort of nomadic. We approached them from a business standpoint. This has been a real source of pleasure for us."

Meanwhile, Rosecroft is planning a renovation of the main building's second floor to make it more accommodating to younger customers.

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Rosecroft is owned by the Cloverleaf Standardbred Owners' Association, the non-profit organization representing harness drivers and trainers in Maryland. For that reason, harness racing likely will remain the raceway's primary focus, but Chuckas acknowledged that Rosecroft can barely break even on racing revenues alone. Fewer than 3,000 customers enter Rosecroft's gates on days featuring live racing, and those customers are getting older and not being replaced by younger, more affluent racing fans. This year, Rosecroft expects about \$110 million in sales. With about 80 percent of that money going back to bettors, the track will receive about \$23 million in revenue. After expenses, Rosecroft will report net income of between \$300,000 and \$400,000. That would be an improvement over last year, when the track lost about \$500,000, according to Chuckas.

Other track operators are quick to point out that other states including Pennsylvania and West Virginia have legalized slots at racetracks, placing Maryland facilities at a competitive disadvantage. Chuckas said slots would help, but also blamed the racing industry for failing to market aggressively to young customers as new sports began to emerge.

"Unfortunately, racing in general got way too comfortable," he said. "They didn't actively pursue younger people. We missed the boat. Where we could have been like NASCAR or PGA golf pounding it on the media, now we're behind the eight ball."

Whether the addition of new events at Rosecroft will help boost revenues at the track is unclear, but Chuckas said any new activity can't hurt.

"I think that each event that we try to do here has its own group of people that follow it," he said. "We would much rather have 10 distinct events that each have different people that follow it than being locked into having all our eggs in one basket. And then as we go into next year, we'll sit back and look at what transpired. As much as I'd like to bat a thousand I know I'm not going bat a thousand. So we will build on the positives and then look at other avenues to proceed down."

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Congrats to Joe DeStasio and Stacey Haase on the birth of their baby boy Joseph DeStasio, Jr. on May 27, 2007

Slot Machines

The understatement of the day is that the racing industry as a whole needs slots. They are crucial to our ability to thrive as an industry. What is more important however is that if slots come to Maryland that they come to Rosecroft raceway and not to another location in our community like National Harbor. Gambling has existed at Rosecroft for 50 years and there is no logical reason for gaming to be located elsewhere in this community. Please make a point to let any legislator you know or see how important slots at Rosecroft are to our survival.

There is much discussion about a possible special session to deal with the slots issue but thus far nothing has materialized. Management is monitoring this on a daily basis.

Issues Affecting The Horsemen

Management is working with the CSOA Rosecroft Track Relations Committee on an on going basis to deal with any issue directly impacting horsemen on a daily basis. This committee is chaired by Kenny Schlotzhauer with Bib Roberts, George Bartlett, Marty Burton, Jeff Jester, Don Milby and Gregg White serving on the committee from the CSOA board.

Specific accomplishments have been numerous through this committees efforts working with management such as:

- Creating an exit through the back of the paddock and creating an entrance lane for horsemen
- Modifying qualifying times to a more appropriate level
- Reducing field size to 8
- Maintaining consistency of the condition sheet
- Ordering new saddle pads
- Ordering new track conditioner
- Establishing a MD owned/trained, traditionally raced at Rosecroft on a year round basis preference

There are many other accomplishments too numerous to list but it is good example of horsemen working together with management for the betterment of everyone.

Summary

There is a lot of activity going on at Rosecroft. We will continue to work as hard as we can on behalf of everyone. All decisions will be made with a simple philosophy of doing the best for the most horsemen. I would appreciate your input and your help.

Good Racing,



Kelley Rogers
President, CEI



C.S.O.A. Board Meeting Highlights

At our May board meeting the Board of Directors spoke with Frank Milby, Rosecroft's Leading Driver with a UDRS .368 along with 398 Starts, 98 Wins, 68 Seconds, and 53 Shows and has \$296,315 in purses. Frank helped the board members understand Rosecroft from a driver's point of view.



In May the Board of Directors also honored Franklin Goldstein C.S.O.A.'s legal counsel with a statue of a trotter. Mr. Goldstein was lost of words after receiving the gift.

June 2007						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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17			20	21		23
24			27	28		30

July 2007						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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15			18	19		21
22			25	26		28
29						

August 2007						
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12			15	16		18
19			22	23		25

ALL POST TIMES 7:35p.m.

OCEAN DOWN'S LIVE RACING SCHEDULE



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