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## North American Equine Services, LLC

Specializing in Equine Appraisals and Litigation Consulting

Fourth Quarter, 2004

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**Email:**  
[david@northamericanequine.com](mailto:david@northamericanequine.com)  
**Web site:**  
[www.northamericanequine.com](http://www.northamericanequine.com)  
**Phone:**  
 1-800-575-1669  
**Address:**  
 North American  
 Equine Services, LLC  
 35644 North 11<sup>th</sup> Avenue  
 Phoenix, AZ 85086-8704

### **NAES' Spotlight**

...focuses on Mr. John Long, the CEO of the United States Equestrian Federation, Lexington, KY.



Courtesy: USEF

#### **John R. Long Chief Executive Officer United States Equestrian Federation**

Since 1988, John Long has been directly involved in the equine industry. For five years, Mr. Long served as Executive Vice President and Chief Operating Officer of Churchill Downs, Inc., and as a member of its Executive Committee.

He oversaw the management, operations, and planning for all of the company's racetracks and simulcast facilities.

Prior to his tenure at Churchill Downs, Inc., he spent ten years as President and Chief Operating Officer of Ladbroke/USA, one of the largest pari-mutuel operators in the country. From settling union disputes to equine medication policies to legislative affairs, Mr. Long has served on the front line, dealing directly with many constituencies in the equine industry.

In December of 2003, Mr. Long became the first Chief Executive Officer of the United States Equestrian Federation, Inc., which is the national governing body for equestrian sport in the U.S. The USEF was officially formed that same month when the former United States Equestrian Team and USA Equestrian joined together with the purpose of becoming one strong national voice for equestrian sport.

The USEF supports a membership of over 80,000, ranging from children with their first pony in their own backyard to the training and selection of our Olympic equestrian teams. Twenty-six breeds and disciplines are represented in the Federation and annually participate in more than 2600 USEF-recognized horse shows in the United States and in high performance international competitions, including the Olympic Games, the Pan American Games, and World Cup competitions.

Mr. Long and his wife, Annie, breed Friesian horses at their farm in Shelbyville, Kentucky. (Please note that his Friesian horses were showcased on our NAES website for August, 2004).

The above biography of John Long was provided by the USEF, Lexington, KY, and has been reprinted here with their permission.

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## **Full Disclosure in Horse Sales**



Courtesy: Three Chimneys Farm, Midway, KY

NAES recently spoke with Ms. Braxton Lynch, sales director, at Three Chimneys Farms in Lexington, KY. Her concerns relate to the full disclosure of all the relevant facts in sales and stallion service contracts and were outlined in a recent ad.

"We will tell you everything we know. We believe in full disclosure." She made this statement in a recent advertisement for Three Chimneys Farm, Midway, KY, published in *The Blood Horse*.

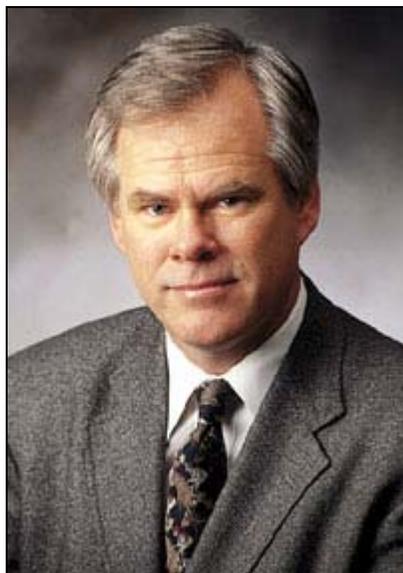
The horse sales industry has, for many years, been looked at as a "buyer beware" area. However, in recent years, more and more individuals are buying horses and demanding and getting all the financial information associated with their new purchase.

Full disclosure has long been the rule in real estate transactions. Most installment sales contracts specifically enumerate all the dollar consequences of the agreement.

As more and more sophisticated people get into the horse market, the need for specificity in explaining financial matters relating to the "deal," become very important.

Mr. Ray Paulick, editor-in-chief of *The Blood Horse* magazine, (one of racing's top weekly digests), has been a very staunch supporter of the "full disclosure" attitude in the buying and selling of race horses.

His comments in the April 3rd, 2004 issue of *The Blood Horse*, concern, (as an example), that an agent "may have made a secret deal to buy a, (sic), horse privately from the seller, and then run the



Courtesy: "The Blood Horse" Magazine

price up on the unknowing owner," and potential buyer.

There are so many cases showing evidence involving secret commissions and hidden profits, it would seem the rest of the world is starting to finally understand more of the legality of horse sales.

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### Equine Insurance



Courtesy: Dietrich Insurance

#### Shawna Dietrich on Equine Insurance

Today's equine insurance marketplace is full of changes and surprises. This is due to several factors, including but not limited to, the various underwriting companies changing their policy terms or conditions, altering rates and costs, and even leaving the equine specialty niche.

Consequently, this has resulted in only a handful of risk taking companies and a multitude of independent agents, anxious to sell policies. Some of these agents are full time professionals, others, are only part time solicitors.

Due to the complexities and differences in the insurance contracts, it is imperative for the consumer to seek out experienced and knowledgeable agent representation.

Talk in detail to an agent who is licensed in your state and preferably, one who is familiar with your specific horse's breed and use. Take the time to ask an abundance of "what if" questions, so you will not be disappointed with a claim denial, at a later date.

This is not a segment of the insurance industry where policies should be purchased due to the lowest rate or price. Paying a cheap price for equine insurance will not help you when you are on the way to a vet clinic with a sick horse on a Saturday night.

Ms. Dietrich is a longtime nationwide insurance provider and is currently a

horse show steward, licensed by the USEF. Having previously been a judge,

Ms. Dietrich is very aware of the complexities of the show horses and farms

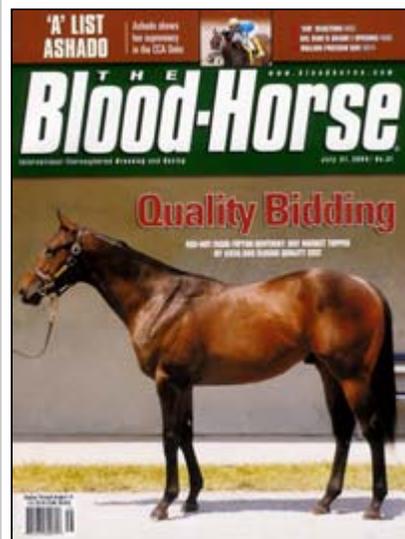
she insures. Ms. Dietrich has graciously agreed to pass on some of her vast knowledge and experience in the equine insurance business to our NAES readers. Ms. Dietrich is a member of the NAES Advisory Board.

Ms. Dietrich may be reached at her Simpsonville, KY offices at 800-942-4258 and by e-mail to [sdietrich@iglou.com](mailto:sdietrich@iglou.com)

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### **Rebound in the Race Horse Market**



Courtesy: "The Blood Horse" Magazine

Fasig-Tipton's July Lexington Sale shows the way to a big rebound in the Thoroughbred racing business.

An "Elusive Quality" colt was the sale topper at \$950,000 purchased by Mr. John Ferguson for Sheik Mohammed who owns the sire and keeps him at his Gainsborough Farm in Kentucky. In short, the sale saw a gross revenue increase of a whopping 36.9% from 2003 and the median price paid for the 338 horses was \$80,000 up from last year's \$67,000.

Many attributed the rebound in the racehorse market to a robust economy, favorable tax laws, a "feel good" movie like "Seabiscuit" and the attractiveness of Funny Cide and Smarty Jones.

Also in the mix is the fact that more racing jurisdictions are allowing slot machines in at racetracks enabling race meets to offer more purse money to horsemen.

All in all it's good news for racing fans who at one time were looking at the end of horse racing...not any more!

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### **NAES has its Trademark Granted**

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After almost a year of waiting the United States Patent & Trademark Office has granted NAES registered status of the distinctive trademark.

Planning to be in the horse business for many more years has necessitated official trademark status.

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### **NAES Commentary;**

In memory of "Pik Eagle," ("Pickles")

I write material every quarter concerning horses and their related activities. So when I hear the tragic story of a young 12 year old girl's first good show horse having to be destroyed, it makes me think of the old adage, "Horses give us so much but ask for nothing in return."



Courtesy: NAES

You may recall seeing the above picture in a previous newsletter where "Pickles" posed for one of my "full disclosure" articles.

Two young girls were affected; one a young girl who had owned "Pickles" for only three weeks and the previous owner, Ashlee Bolwar, who had owned and shown the horse for two years, winning the Arizona State

Children's Hunter Championship and Reserve National Champion in the Silver Stirrup Division.

The horse had been turned out and set a foot down wrong resulting in a freak spiral fracture of a front leg. "Pickles" couldn't stand up so the current owner softly held his head, feeding him carrots until the vet arrived to euthanize him.

Sad yes, but it's great to at least have known and been a good steward for a great horse even for a short period. Time spent in the world of horses shows us just how vulnerable these wonderful creatures are..

I've editorialized the famous "Rainbow Bridge" story that follows (on the next page). It's quite an uplifting thought about our animal friends. Just plug in the name of a favorite horse, dog or other animal.

### **Rainbow Bridge, with Revisions**

Just this side of Heaven is a place called Rainbow Bridge. When an animal dies that has been especially close to someone here, that pet goes to Rainbow Bridge. There are meadows and hills for all of us to play together. There is plenty of feed, water and sunshine, and our friends are warm and comfortable.

All the animals that had been ill and old are restored to health and vigor. Those who are hurt or maimed are made whole and strong again, just as we remember them in our dreams of days and times gone by. The animals are happy and content, except for one small thing; they each miss someone very special to them, but the day comes when Pickles suddenly stops and looks into the distance. His bright eyes are intent. His eager body quivers.

Suddenly he begins to run from the group, flying over the green grass, his legs carrying him faster and faster. You have been spotted, and when you and your special friend finally meet, you cling together in joyous reunion, never to be parted again.

The happy kisses rain upon your face; your hands again caress the beloved head; and you look once more into the trusting eyes of Pickles, so long gone from your life, but never absent from your heart. Then you cross the Rainbow Bridge together.

(Anon)

### **About Dave Johnson**

Dave started NAES more than 10 years ago with an eye to making sure all horse owners and those interested in horses could depend on NAES for the straight scoop on horses and prices.

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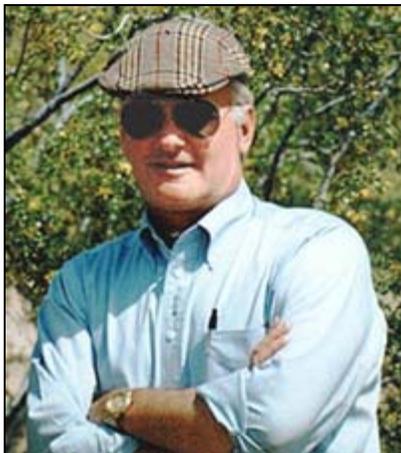
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Courtesy: NAES

In addition, Dave is one of the busiest horse activity experts in North America.

Because of his long history of working with so many breeds and disciplines he's called upon to give his opinion in literally hundreds of legal cases and horse appraisals.

Dave is still an active horse show judge and, when time permits, continues teaching at his wife's nationally known stable, Willoway Farm, Inc., in Phoenix, Arizona.

**Email:**

[david@northamericanequine.com](mailto:david@northamericanequine.com)

**Web site:**

[www.northamericanequine.com](http://www.northamericanequine.com)

**Phone:**

1-800-575-1669

**Address:**

North American  
Equine Services, LLC  
35644 North 11<sup>th</sup> Avenue  
Phoenix, AZ 85086-8704

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