



Proposal: **Horse Owner Licensing Modernization**

Implementation of a Fractional Ownership License

Developed by: True Nature Communications Inc.
for: TheStable.ca, July 2019

All enclosed figures are accurate as of July 2019

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1. Executive Summary

TheStable.ca is horse racing's fastest-growing fractional ownership stable and the largest harness stable in Canada. Since its inception in 2015, TheStable.ca has grown rapidly to 650 clients in 11 countries. Fractional ownership is the future of the horse racing industry, representing the best vehicle for growth.

Since 2015, TheStable.ca has made 1,900+ stake payments totaling \$1.2+ million and 279 starting fees totaling \$213,000+ across seven jurisdictions (ON, PA, NY, NJ, IL, IN, OH). TheStable.ca has generated \$11.5+ million in direct economic impact via expenditures of agricultural products and services. (See **Section 2** for more information about TheStable.ca)

Our model makes horse ownership easy – purchase 1% of a racehorse and experience 100% of the thrill. Their model removes several of the barriers which have historically hindered new ownership and investment in the global harness racing industry: **accessibility, cost, risk, communication** and **convenience**. Although TheStable.ca has done its best to remove the barriers that deter people from owning horses, their existing clients, and eventual 'Newcomer' clients still face one complex barrier; **licensing**.

In the four years since TheStable.ca's inception, some clients have abandoned their shares in horses because of the extreme complexity and costs of gaining licenses in multiple jurisdictions – which is required for racing horses in multi-jurisdictional stake races. (see **Section 5** for client case studies)

The purpose of this proposal is to raise awareness of the current complications and barriers that exist with horse ownership licensing; specifically for those entering the industry as fractional owners, and to propose improvements to help the industry flourish.

Our experience has demonstrated that the current licensing model is not sustainable for fractional owners; it is a major roadblock in our ability to deliver a good experience for our existing clients and hinders our ability to attract new ones.

We are **NOT** asking to alter or reduce the fee for any existing horse owner license. We are respectfully proposing the implementation of an efficient, modern and proportionate licensing system for fractional ownership across all jurisdictions. **We are asking for the implementation of a Fractional Ownership License.** (See **Section 4** for full list of proposed improvements)

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2. Introduction

TheStable.ca is horse racing's fastest-growing fractional ownership stable and the largest harness stable in Canada.

The innovative and engaging model of TheStable.ca allows people to purchase as little as one percent of a horse, making the thrill of harness racing and racehorse ownership easy, accessible and affordable.

Amy and Anthony MacDonald built this fractional ownership stable as a bridge — an engaging way to enable newcomers and lapsed participants to enter/re-enter racehorse ownership with a very modest investment (as low as \$80), low-risk, low monthly costs, and completely accessible and transparent operations.

Since its inception in 2015, TheStable.ca has:

- Grown from 0 to 650 clients residing in 11 countries.
- Bought and trained 206 horses, 93% of which have qualified or raced.
- Engaged on social media:
 - 2.5 million minutes watched during 400,000 views of 1,527 videos on our YouTube channel
 - 50,000 users generating 162,000 reactions, and 960 messages received on Facebook
 - 2.25 million impressions, 72,000 profile visits and 2,700 tweets posted on Twitter
- Generated \$11.5+ million in direct economic impact via expenditures of agricultural products and services.
- Spent \$2.5+ million USD on yearling purchases.
- Started in 1,500+ races across seven jurisdictions (ON, PA, NY, NJ, IL, IN, OH).
- Paid 1,900+ stake payments totaling \$1.2+ million and 279 starting fees totaling \$213,000+ across seven jurisdictions (ON, PA, NY, NJ, IL, IN, OH).

- Paid clients \$3.1+ million in purse earnings.
- Developed a custom-designed integrated software platform to facilitate:
 - online billing, buying and selling for clients
 - one-click direct messaging to each ownership group
 - communication updates about each horse via text and video
 - tracking of client contact information and demographics with report-generating functionality

TheStable.ca is focused on delivering an entertaining experience for its clients. The promised return on investment is experiential, not monetary. We actively discourage the concept of *investment*, focusing instead on the spending of *disposable income* and *hobby dollars* to be part of TheStable.ca for the purchase of an extended, value-added entertainment experience.

TheStable.ca removes several of the barriers which have historically hindered new ownership and investment in the global harness racing industry:

- **Accessibility:** Prospective owners may not have existing connections within the industry. Finding a horse and/or trainer is difficult.
 - TheStable.ca provides a framework and community where newcomers have instantaneous access and support.
- **Cost:** Without a fractional ownership framework, investing in large portions of a horse is the norm.
 - TheStable.ca provides a platform where 1% ownership is encouraged.
- **Risk:** Monthly billing is unpredictable.
 - TheStable.ca provides a set rate (\$25.75 plus tax per 1% share) with transparent incidentals.
- **Communication:** Trainers do not have the skills or infrastructure to service client communication needs; trainers feel overwhelmed by the need for constant communication demanded from clients; clients feel underwhelmed and left in the dark.
 - TheStable.ca employs the equivalent of two full-time communication professionals to provide clients with weekly messages, emails and video commentary updates about their horses.

- **Convenience:** Traditional training stables generally offer very little (if any) access to online tools and resources for their clients.
 - Clients of TheStable.ca hold an account on our custom integrated platform which organizes their contact information, licenses, and billing; Clients can log in, pay bills, receive updates and interact with other clients.

Fractional ownership is the future of the horse racing industry, representing the best vehicle for growth. Through traditional horse ownership, very few people had the opportunity – or privilege – to own racehorses. Without the proper infrastructure to support fractional ownership, the industry’s potential for increasing the number of individual licensed owners was limited to individuals willing to invest large amounts of money into significant shares.

With fractional ownership at TheStable.ca, the industry is able to engage many more individuals. Each individual will contribute financially and culturally to the industry’s growth.

TheStable.ca has invented a model that has begun to attract new and lapsed horse owners on a large scale, however, there is one barrier that continues to deter potential clients; **licensing**.

Purpose

The purpose of this proposal is to raise awareness of the current complications and barriers that exist with horse ownership licensing; specifically for those entering the industry as fractional owners.

Our proposal identifies the current complications with the licensing system from our clients’ perspective and proposes improvements to be made that will eliminate and/or ease these complications for fractional owners.

This, ultimately, will help encourage new horse owners. More/new horse owners = a thriving industry.

3. Situational Analysis

TheStable.ca has over 650 clients located across 11 countries. Their backgrounds and interests are diverse, but they were all drawn to TheStable.ca for the opportunity to become a fractional horse owner.

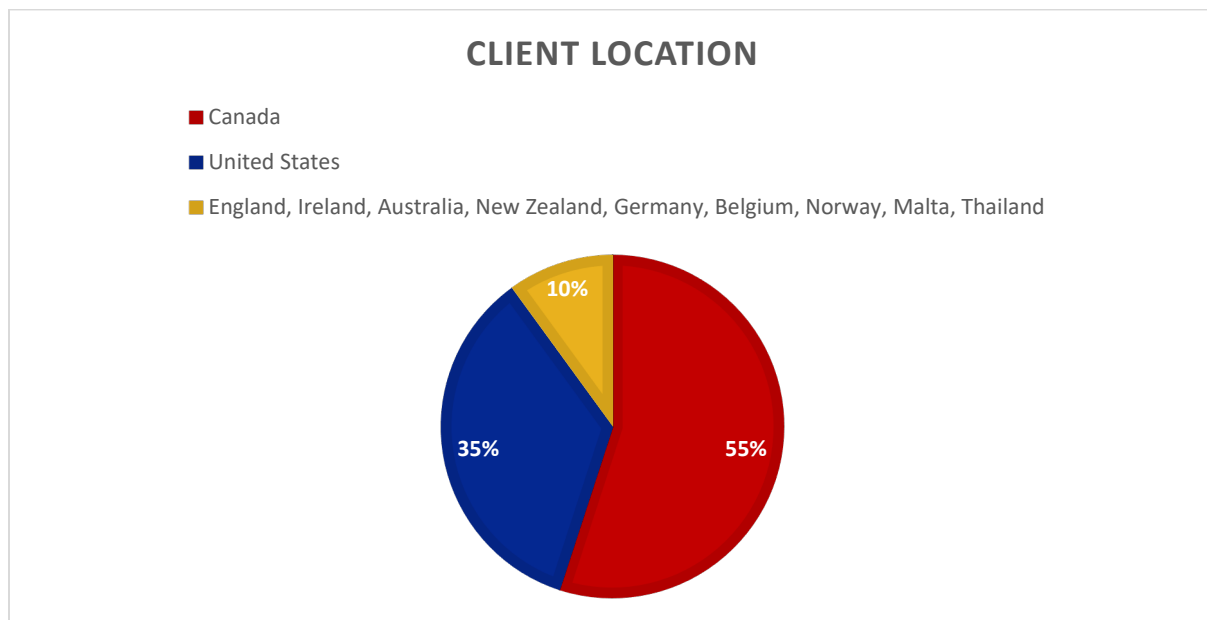
TheStable.ca's model makes horse ownership easy – purchase 1% of a racehorse and experience 100% of the thrill.

We've worked tirelessly over the past four years to remove the barriers that exist in attracting new owners to horse racing: accessibility, cost, risk, communication and convenience.

TheStable.ca not only attracts new owners to horse racing, but we also foster the owner's relationship with the industry by educating them on how the sport works.

We teach our clients what it means to "train a horse down," we show them the process and answer all of their questions along the way. We pride ourselves on having the most informed clients in horse racing. We do this because we know it makes our clients' experience in the industry valuable while increasing their likelihood of remaining actively involved in the sport.

TheStable.ca clients at a glance



The majority of TheStable.ca's 650+ clients start as fractional owners (usually buying in with 1% or 2% shares) and increase their shares as their industry knowledge grows and they become more comfortable in horse ownership.

- Clients own an average of 4.2 one-percent shares
- Each horse in TheStable.ca is owned by 20.7 people
- Current clients of TheStable.ca hold a total of 2,488 positions across all horses in TheStable.ca

Realizing the benefits of fractional ownership, and fostering new owners has a cascading benefit for all involved in horse racing: new owners help the industry flourish.

Currently, TheStable.ca's model is attracting owners who fit into five personas:

TheStable.ca's client base currently stems from those who are already connected (directly or indirectly) to the industry.

The "Cyclical"
Hobbyist
Client



The "Cyclical"
Non-hobbyist
Client



The "Catalyst"
Client



The "Ambassador"
Client



The "Go-getter"
Client



-
- | | | | | |
|--|--|--|--|--|
| <ul style="list-style-type: none"> • Has knowledge of or prior experience in the industry • Has been a horse owner in the past • Cycled out of horse ownership • Wanted to re-enter horse ownership with low cost and low risk | <ul style="list-style-type: none"> • Has owned or trained horses in the past in a larger capacity • Cycled out of horse ownership and training • Wanted to re-enter horse ownership to experience social and emotional benefits without high risk and investing large amounts of money and time | <ul style="list-style-type: none"> • Joined because they recognize the value of our model • Consider horse ownership as a catalyst for spending time together and sharing unique experiences | <ul style="list-style-type: none"> • Initiating client (the client who invites others to join) has some prior knowledge of the industry • The client who was brought in by a friend has little to no experience in the industry and is not likely to have owned a horse before | <ul style="list-style-type: none"> • Has some prior direct or indirect connection to the industry (i.e., worked at a racetrack) • Has considered owning horses in the past but never had the low risk opportunity to do so |
|--|--|--|--|--|

Eventually, TheStable.ca will target outside sources and an additional client persona will be created: 'the Newcomer client.' This client is someone who sees an advertisement on TV/online for fractional ownership or was targeted from TheStable.ca on social media;

The Newcomer does not have any foundational connection to anyone involved in horse racing.

TheStable.ca is not currently actively targeting the Newcomer clients. However, horse racing can't survive without tapping into this market and attracting new racehorse owners who have never had experience in the industry.

The current complex and disproportionately priced licensing processes that are in place today make it difficult to attract and keep existing clients. It will be significantly more difficult to attract an outside market without changing the current processes.

The issue with current licensing processes

Although TheStable.ca has done their best to remove the barriers that deter people from owning horses, their existing clients, and eventual 'Newcomer' clients still face one complex barrier; **licensing**.

In the four years since TheStable.ca's inception, some clients have abandoned their shares in horses because of the extreme complexity and disproportionate costs of gaining licenses in multiple jurisdictions – which is required for racing horses in multi-jurisdictional stake races.

TheStable.ca has spent several hundreds of hours of their time (and the time of the staff in the licensing jurisdictions) unnecessarily sorting through the complex processes to license their clients.

TheStable.ca's clients have no issue paying the fees associated with licensing. However, the current licensing system is complex and disproportionate for a horse owner who has purchased a fraction of a racehorse.

For example: when a client purchases 1% of a New York bred racehorse (\$161 USD on average for a 1% share) they will pay the following in licensing fees:

- \$90 USD USTA License
- \$188 USD New York License (includes \$88 for fingerprinting)
- \$90 USD Ontario License (TheStable.ca is based in ON and thus our horses will have their first start in ON)

These fees do not include the cost for acquiring photographs and fingerprints or for the cost of sending the application (sometimes multiple times).

To show the disproportion between licensing and the cost of a 1% share in a horse, please see Figure 1 and Figure 2. (These costs do not include cost of shipping application, cost of photographs and fingerprints, where applicable)

Figure 1: License Fees vs. Cost of horse for Fractional Owner

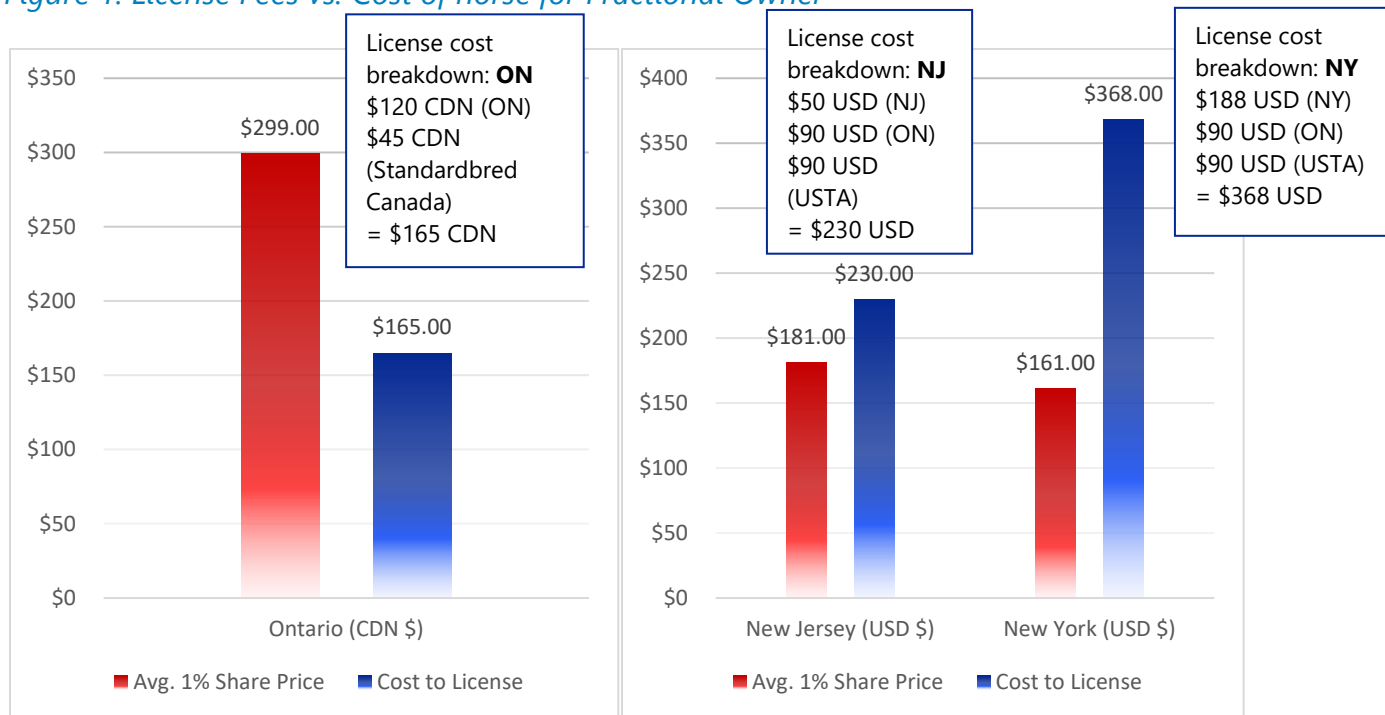
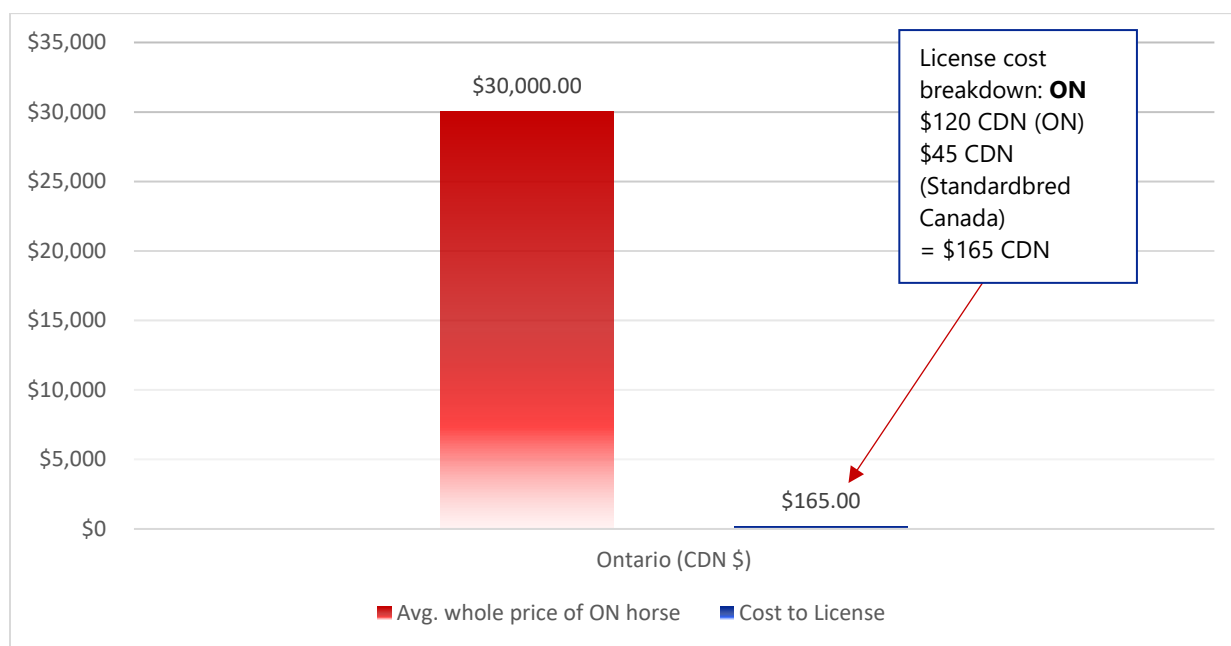


Figure 2: License Fees vs. Cost of horse for Full Owner



TheStable.ca is aware of the third-party option for licensing support – the National Racing Compact – however, this too is not a proportionate option for an owner of a fraction of a racehorse. In addition, the complexity and lack of modern and efficient ways to apply and pay for a license makes it very frustrating for new horse owners to become licensed.

In **Section 6** we have laid out the complex variations and inconsistencies in the current processes required to achieve licensing in select jurisdictions. Some major inconsistencies and complexities include:

- New York requires a license for all horse owners no matter the percentage owned, UNLESS there are more than 36 owners, in this case owners of 3% or less of a horse are not required to be licensed
 - New York requires fingerprints for all license applications; unless they are under 18 or over 70
 - New York requires fingerprints be provided on their own stamped cards, available only by regular mail
 - New York requires a license application to be mailed and does not accept credit card payments – instead, they only take U.S. money orders from a bank where they hold an account
- Ohio doesn't require a license for those who own less than 5% of a racehorse
 - Ohio requires fingerprints only if a physical license is required
- New Jersey requires a license for all horse owners no matter the percentage owned
 - New Jersey requires fingerprints for all license applications
 - New Jersey requires fingerprints be provided on their own stamped cards, available only by regular mail
 - New Jersey requires a license application to be mailed and only accepts cheques for payment
- Ontario requires a license for all horse owners no matter the percentage owned
 - Ontario does not require fingerprints
 - Ontario accepts credit card payments over the phone
- Expiration dates and pro-rating processes fluctuate between all licensing bodies
 - Some licenses expire on a licensee's birthday
 - Some licenses expire at the end of the calendar year
 - Some licenses expire according to timeframes dictated by the first letter of the licensee's last name
 - Some licensing bodies pro-rate; some do not; some do but at the agent's discretion

In **Section 6**, TheStable.ca has proposed improvements to the current licensing system to create a modern and proportionate licensing process for fractional horse owners.

4. Proposed Improvements

We recognize that involvement in the harness racing industry is a privilege, not a right. We are advocates for licensing. We believe all horse owners should be licensed, whether they own 1% or 100% of a Standardbred racehorse. Licensing supports accountability, credibility and sustainability.

At the same time, the licensing process (especially for a fractional owner) must be reasonable, both in logistics and cost. Furthermore, while it is the general objectives of all licensing bodies to ensure that horse racing is conducted with the highest integrity, credibility and quality, it is also part of their mandates to operate in the most efficient and transparent manner, while providing responsive and effective regulation.

The current licensing systems are not efficient, transparent or responsive as it pertains to this growing fractional ownership model in harness racing. Any potential infractions by a fractional ownership licensee would have such little negative scope of influence on the industry, that it negates the necessity of the full smothering force of this legislation.

Our experience has demonstrated that the current model is not sustainable for our clients. The current licensing framework is a major roadblock in our ability to deliver a good experience for our clients. The licensing hurdles have driven away some of our clients, is a deterrent in attracting more clients, and is generally a major pain point for our administrative staff and our entire client base.

The current system is a major deterrent for clients to buy shares of horses across multiple jurisdictions, and in jurisdictions where licensing demands are particularly excessive for clients who own very few shares (particularly NY and NJ).

These processes are rife with unnecessary complications, a lack of clarity, inconsistency, duplicated efforts, wasted resources and disproportionate costs. We are **NOT** asking to alter or reduce the fee for any existing horse owner license.

We are respectfully proposing the implementation of an efficient, modern and proportionate licensing system for fractional ownership across all jurisdictions.

The following table includes proposed improvements that we feel will benefit our clients, the jurisdictions and standardbred racing overall by creating an efficient, modern and proportionate licensing system that will attract and retain new horse owners.

Please note: our proposed improvements are for discussion purposes only. We realize that a licensing system reform can benefit all parties ONLY if all are involved in the planning process. Our hope with this proposal is to initiate a conversation around licensing reform that will lead to a collaborative effort from all involved in standardbred horse owner licensing.

Proposed Improvements Table (begins on following page)

Jurisdiction	CURRENT PROCESSES				PROPOSED IMPROVEMENTS – WHAT WE’RE ASKING FOR		
	License Requirements and Fees	Renewal Deadline	Photo & Fingerprint Requirements	Payment and Application Submission Requirements	NOW (Implement within 3 months)	SHORT-TERM (Implement within 3-6 months)	Notes
Standardbred Canada	First time ownership: \$45 CDN (plus tax) (rate only applies for 2 yrs) ALL % Owners: \$93 CDN (plus tax) for new applicant	Birthday, pro-rating mandatory	No fingerprints, No photo	Application: Fax, email Payments: by credit card over phone M-F 9-5, renewals online	• Offer \$50 CDN for Fractional Ownership License (for 1-9%) with no fingerprints, no photo		• Offer complete online application submissions and electronic license payments (Implement within 6+ months) • For Fractional Ownership Licenses: allow TheStable.ca to act as Authorized Agent for clients’ application and electronic payment submissions • For jurisdictions marked with an (*) we do not want to initiate paid Fractional Ownership Licenses unless they can accommodate electronic payment (ex: a credit card)
United States Trotting Association	ALL % Owners: \$90 USD (1yr) \$222 USD (3 yrs)	Based on last name	No fingerprints, No photo	Application: Fax, email, mail or in-person at racetrack Payments: by credit card over phone M-F 9-5	• Offer \$50 USD for Fractional Ownership License (for 1-9%) with no fingerprints, no photo • Renewal on Birthday with pro-rating mandatory		
Ontario	ALL % Owners: \$100 CDN + \$20 CDN (plus tax) for new applicant	Birthday, pro-rating at discretion	No fingerprints, No photo	Application: Fax, email, mail or in-person at racetrack Payments: by credit card over phone M-F 9-5	• Pro-rating mandatory for license renewals	• Offer \$50 CDN for Fractional Ownership License (for 1-9%) with no fingerprints, no photo	
Illinois*	4% or less: no license 5% or more: \$25 USD	Calendar (Dec 31)	Yes fingerprints – only if license is required, No photo	Application: mail Payments: cheque and send via mail	• Pro-rating mandatory for license renewals	• Offer \$25 USD for Fractional Ownership License (for 1-9%) with no fingerprints, no photo	
Indiana*	4% or less: no license 5% or more: \$35 USD	Calendar (Dec 31)	Yes fingerprints – only if license is required (reciprocity available), No photo	Application: mail Payments: cheque and send via mail	• Pro-rating mandatory for license renewals	• Offer \$25 USD for Fractional Ownership License (for 1-9%) with no fingerprints, no photo	
New Jersey	ALL % Owners: 1yr \$50 USD 3yr \$150 USD	Calendar (Dec 31)	Yes fingerprints (reciprocity available), No photo	Application: mail Payments: cheque and send via mail to racetrack or head office	• Pro-rating mandatory for license renewals • Payments: by credit card over phone M-F 9-5	• Offer \$50 USD for Fractional Ownership License (for 1-9%) with no fingerprints, no photo	
New York	ALL % Owners: \$100 + \$88.25 USD fingerprint fee if birthdate is more than 6 mths away, \$125+\$88.25 if birthdate is less than 6 mths away (if 36 or more owners on a horse then owners of 3% or less don’t need a license)	Birthday	Yes fingerprints (State and Federal), Yes photo	Application: mail Payments: US money order drawn from a bank with a branch in the U.S.	• Offer \$50 USD for Fractional Ownership License (1-9%) with no fingerprints, no photo • Application: by fax, email, mail or in-person at racetrack • Payments: by credit card over phone M-F 9-5 • Pro-rating mandatory for license renewals		
Ohio*	1-4%: no license, 9%+: \$50 USD	Calendar (Dec 31)	Yes fingerprints – only if license is required (\$47.25 USD fingerprint fee) reciprocity available, No photo	Application: mail Payments: US cheque, money order and bank draft	• Application: by fax, email, mail or in-person at racetrack • Pro-rating mandatory for license renewals	• Offer \$25 USD for Fractional Ownership License (for 1-9%) with no fingerprints, no photo	
Pennsylvania *	1-4%: no license, 5%+: \$120 USD 3yr license (only option)	Calendar (Dec 31)	Yes fingerprints – only if license is required , No photo	Application: mail to participating racetrack Payments: US cheque, money order via mail	• Application: by fax, email, mail or in-person at racetrack • Pro-rating mandatory for license renewals	• Offer \$25 USD for Fractional Ownership License (for 1-9%) with no fingerprints, no photo	

Proposed Fractional ownership license process

This proposal submits the creation of a new Fractional Ownership License:

- 1) The new Fractional Ownership License is for clients of a fractional ownership stable who own 9% or less of a Standardbred horse.
- 2) The fractional ownership stable (in this case, TheStable.ca) would be responsible for submitting the names and pertinent contact information, and licensing fees for each client who owns 9% or less of the horse.
- 3) This information would be submitted collectively for the fractional owners of each horse and delivered in a Fractional Ownership Licensing Application & Report. (See **Appendix 1** for the sample Fractional Ownership Licensing Application & Report). (Details below.)

The Fractional Ownership Licensing Application & Report for each horse would include:

- i) A report of fractional owners who already hold a valid Fractional Ownership License or a standard ownership license
 - ii) An application for fractional owners who do not currently hold a valid Fractional Ownership License, for which pertinent contact information and payment is enclosed
- 4) The Fractional Ownership Licensing Application & Report and payment would be submitted to each jurisdiction for two-year-old starters:
 - by May 1 of each calendar year (by which time the majority of shares have been sold for each horse)
 - again within 24 hours after the draw for each race (only when ownership changes have occurred since the last Fractional Ownership Licensing Application & Report was sent)
 - 5) The Fractional Ownership Licensing Application & Report and payment would be submitted to each jurisdiction for starters aged three and up:
 - within 24 hours after the draw for each race (only when ownership changes have occurred since the last Fractional Ownership Licensing Application & Report was sent)

The Fractional Ownership Licensing Application & Report would be accompanied by a lump sum payment provided by the fractional ownership stable. The payment would be provided electronically (credit card, email money transfer, etc.).

What's in it for our clients?

- streamlined licensing process creates new efficiencies
- eliminates intimidating, confusing and costly steps
- proportionate costs for owners of 9% or less of a horse
- removes barriers for clients to buy new shares in new horses across all jurisdictions
- issues and concerns are handled entirely by staff of TheStable.ca with whom clients already have a client-service relationship

What's in it for you (the jurisdictions) and the industry as a whole?

- streamlined licensing process creates new efficiencies
- one-point contact for licensing agents with dedicated licensing staff at TheStable.ca who know the rules and processes for licensing applications
- facilitates transitional ownership: potential for new revenues as clients feel empowered to buy new shares in new horses across all jurisdictions

5. Closing

We recognize that horse ownership is a privilege and not a right. We are **NOT** asking to alter or reduce the fee for any existing horse owner license.

We are respectfully proposing the implementation of an efficient, modern and proportionate licensing system for fractional ownership across all jurisdictions. We are proposing the implementation of a Fractional Ownership License.

If you have any questions about this proposal, we would appreciate the opportunity to speak to you and develop an efficient, modern and proportionate licensing system that works for you and for our clients.

6. Case Studies

The following testimonials were sent to TheStable.ca from fractional owners. These first-hand accounts highlight the frustrations fractional owners experience with the current licensing system. (Names were provided for the original document sent to regulators. *Names been removed for the public version of this document.*)

Client – Wyandotte, MI

I love the fact that I can buy one or two shares of a horse with The Stable and this is great for the horse racing industry, it gets more people involved and that's what the sport needs.

The people that buy a couple shares are the ones that are doing this for fun, not expecting to make any money. Fractional ownership is great but the licensing for fractional ownership has to change in order for this to be a success.

I have one share of a horse that races in New York and I was surprised when I found out I would have to pay for a full license just like a person that owns 100 percent of a horse. The way the system is set up now makes me not want to be a fractional owner.

Client – Fredericton, NB

I have 1% shares in five horses and plan to increase my stable in the near future. But when The Stable purchases horses from the USA, I only buy shares in the horses which are easily registered in their jurisdictions. If it is too complicated and costly (i.e., involves fingerprinting, licensing, and crazy paperwork), then I do not purchase shares in that horse.

This also stops The Stable from purchasing horses from that jurisdiction as they can't find people to invest in these horses.

So, the bottom line: keep it simple so that we can grow this industry for all involved.

Client – Niagara, ON

I own 1% of one horse. In March 2019 I had to purchase an Ontario license for \$120.00. This license should have been good for one year but last week I received another bill for \$100.00 since the license expires on your birthday. I contacted the organization stating this should be on a (pro-rated) ratio but I was refused.

Dr. Robert V. Hutchison – Ridgeville, OH

My biggest issue is that different States and Provinces require their own set of fingerprints. New York requires paper fingerprints, Ohio requires electronic. Each, of

course, requires their own fee for the FBI to evaluate the same set of prints. I have been fingerprinted for licenses numerous times already in 2019.

Client – Meaford, ON

Unnecessary red-tape is a major problem we have in this industry. That is why the efforts of The Stable to get new owners involved is a great approach. But behemoth licensing restrictions continue to hinder proactive efforts like TheStable.ca. The costs and frustrations of trying to get licensed in NY have forced me out of buying shares in horses in that jurisdiction. I recently abandoned my shares of my NY horse.

Client – Wooster, OH

The Stable.ca is doing a wonderful thing for harness racing, giving horse lovers the opportunity to live a dream by owning as little as 1 percent of a horse. What doesn't work is that a 1 percent owner may have to pay more for their licensing and USTA or Standardbred Canada membership than they did for their 1 percent of the horse! Please work with The Stable.ca to help them restore Standardbred Racing to where it should be. I was recently at a track that used to be a beautiful place. Now parts of it are condemned because the interest is just not there.

Client – New York, NY

I have owned horses for 50 years and every time I apply to a new area to race, they hound me and delay for finger prints, photo ID, etc. If the USTA and four states have collected the fees, accepting the credentials with a check should be a courtesy for our wanting to race there. Instead, it's an *evil* criminal background check over and over and over. If they find fraud or misrepresentation, they can keep the money and revoke. But don't treat every owner as a potential evil-doer. We pay to race and spend money there.

Client – Fairview, TN

I completely buy into the fractional owner concept. What I have an issue with is my investment in one of the horses for 1% share was \$210 and I had to pay \$100 for a Canadian license, almost 50% of the purchase price. The horse was making one start only in Canada to find a race for her. Doesn't make sense that the license is almost half the investment made in the horse.

Client – Surrey, BC

I had to get licensed in New York for the one 1% share I currently own of one horse. This is what it was like for me:

I work from 8 am to 6pm or later. I needed to get fingerprints done and had no clue as

to where to go. RCMP will not take your fingerprints for out-of-country. I asked them and found a private vendor. Also, I had to provide passport photos. Then came the four-page application with the confusing wording and not knowing most of what was being asked.

Then came the payment: \$100 US and \$88 US for the license. When I received my license in the mail, there wasn't a receipt, just my card. And, the card had my name and city misspelled. Terrible experience all around.

Client – Buffalo, NY

Getting licensed in New York was certainly challenging to say the least.

I had to drive over an hour (to Buffalo Raceway) as it had to be done at the racing office. The process took close to 2 hours, including phone calls to Anthony as they originally would only issue me a claiming license.

They would not accept my fingerprints from Pennsylvania and I had to fill out more forms and pay an extra fee of \$75. This along with their licensing fee is much higher than any jurisdiction I've dealt with. I asked for a multi-year license (as I got a 3 year license as a first time owner in PA) and they would only issue a one year license.

The entire process for NY is needlessly discouraging!

Client – North York, ON

There seems to be a lack of clarity and coordination over the process. Even in Ontario, the interaction/crossover between Standardbred Canada and the AGCO seems awkward/odd. I have received a Standardbred Canada licensing card with the same membership number that appears on the AGCO license paper receipt....and it appears I am supposed to carry the receipt with me and take it to the next racetrack I visit to get the AGCO card with my picture on it (And, hopefully that will be able to be done if I make a special trip).

In terms of multiple jurisdictions, I would be willing to have the requirements of any/all jurisdictions kept on record by either Standardbred Canada or the AGCO and provide authorization to have those requirements accessed through either of them by any other jurisdiction. So your 'home' jurisdiction holds your information and other jurisdictions can access and verify it. That seems like an efficient solution.

Client – Salisbury, MD

I own one percent of one NY horse. Maryland was very easy & free! For my renewal of my owner's license. USTA was expensive, but they said they owed me a refund of \$15, since I was renewing, but I never received it.

New York was expensive and asked for a lot (fingerprints on THEIR cards & passport photos), but I finally got it done in time, and they have cashed my check, but I have not received my license number.

Client – Boston, MA

The USTA was easy and quick, but I have to admit I was licensed several years ago and they could quickly pull up my former license and activate it immediately. On the Ontario license, I sent that application about 2 weeks ago and at this writing have had no reply. If I remember this accurately the application said to "bring it in". Obviously, I am not going to Canada to get that license.

I fully understand and respect the reviewing of new applicants but suggest in the interest of supporting harness racing that they find ways to expedite the licensing process.

Client – Etobicoke, ON

My initial enthusiasm at joining theStable was my sole motivation to handle the challenges of the licensing procedures.

My first chore was to find some time to drive from Etobicoke to Mississauga to the Standardbred Canada offices to obtain a Standardbred Canada membership. I met with Linda Henry there who was extremely helpful in directing me through the picture taking and payment process and she also initiated my first steps in obtaining my AGCO (Ontario) license.

My next challenge was identifying a racing evening at Mohawk when the licensing office would be open. An hour driving each way was required plus the time for licensing. But again a helpful angel guided me through the process.

One would hope that there would be an easier way.

7. Appendices

Appendix 1 – Sample Fractional Ownership License Application & Report (begins on following page)

SAMPLE**Fractional Ownership Licensing Application & Report**

DATE SENT: May 1, 2019

SENT TO: Alcohol & Gaming Commission Ontario

SENT BY: TheStable.ca - Linda Henry linda@thestable.ca (519) 465-7908

JURISDICTION: ONTARIO

HORSE NAME: Dontblvmejustwatch

PAYMENT: 6X \$50 + \$6.50 HST = \$339.00

METHOD: CHARGE TO CREDIT CARD ON FILE: XXXX XXXX XXXX 8477

{ Fractional Ownership License Applications are enclosed for owners listed below as *unlicensed*. }

OWNER NAME	LICENSED?	IF YES, LICENSE #	% OWNED
Tim Smith	YES	W07101	2
Gerry Wood	YES	W12079	1
Paul Campbell	YES	W78432	3
Trisha Gordon	YES	W12942	5
Sally Devries	NO		2
Greg Stymer	NO		9
Gord Allison	YES	W92351	3
Terry O'Reilly	NO		5
Curt McDonald	YES	W77821	15
Kim Staller	YES	W68322	20
Doug Arthurs	YES	W33394	10
Penny Fisher	NO		1
Tom Waites	YES	W97539	14
Donald Morrissey	NO		1
Dina Charles	YES	W39955	4
Ian Fletcher	NO		4
Arnold Tyson	NO		1
			100%

NOTES:



SAMPLE

Fractional Ownership License Application

OFFICE USE ONLY

New or Renewal

Date _____ / _____ / _____

License # _____

F.P. _____ Total Fees _____ Receipt/
(status) Tran ID # _____

Cash _____ Check # _____ M.O. # _____

Clerk _____ **Approved**

by: _____

Welcome to the Standardbred Fractional Ownership Program!

As a fractional racehorse owner who may wish to participate in several different racing jurisdictions, you are eligible to apply for multi-jurisdiction license privileges through the Multi-Jurisdiction Licensing Program. **This form is only for those owners who will not be applying for any other type of license (ie, trainer, driver, etc.)** If you will be applying for another type of license, please contact those jurisdictions for an application. Some racing commissions may require additional information from you. If so, you will be contacted by that commission and requested to submit addendums to this form.

Please refer to the last page of this form for instructions, list of participating jurisdictions and fee schedule.

This application is only necessary if you do not currently hold a Standard or Fractional Ownership License.
If you own more than 9 % of a racehorse, you will need to complete the Standard Ownership License.

1. Applicant Name _____

*Last**First*
2. Telephone numbers: () _____ () _____ () _____

*Home #**Mobile #**Business #*
3. Date of birth: _____

DD/MM/YY
4. What country are you a citizen of? _____
5. USTA/SC Membership Number _____ (If applicable) USTA/SC Membership Exp. Date: _____
6. Permanent mailing address: _____
(at which service all papers may be made upon you)

Street

City

State/Province

Postal Zip/Country
7. Local address: _____

Street

City

State/Province

Postal Zip/Country
8. If you will be appointing an **Authorized Agent**, please list agent's name here: _____

TheStable.ca

10. **Statement of Ownership**

List only horses that you plan to race this year owned in part by you.

Horse Name	Age	Trainer's Full Name	Ownership Name on Registration Papers	% Owned

If additional space is needed in relation to any of the questions above, please use a separate sheet of paper and submit it with this form.

***Please be sure to make copies
of this form before signing!***

Signature of Applicant

Date / /
DD/MM/YY

E-mail Address: _____
(Optional)

If additional space is required for any of the above questions, please use a separate sheet of paper and submit it with this form.

Appendix 2 – TheStable.ca Client Experience Package

(begins on following page)



Own a little.
Love it a lot.

Welcome to harness
racing's best horse
ownership experience

www.TheStable.ca



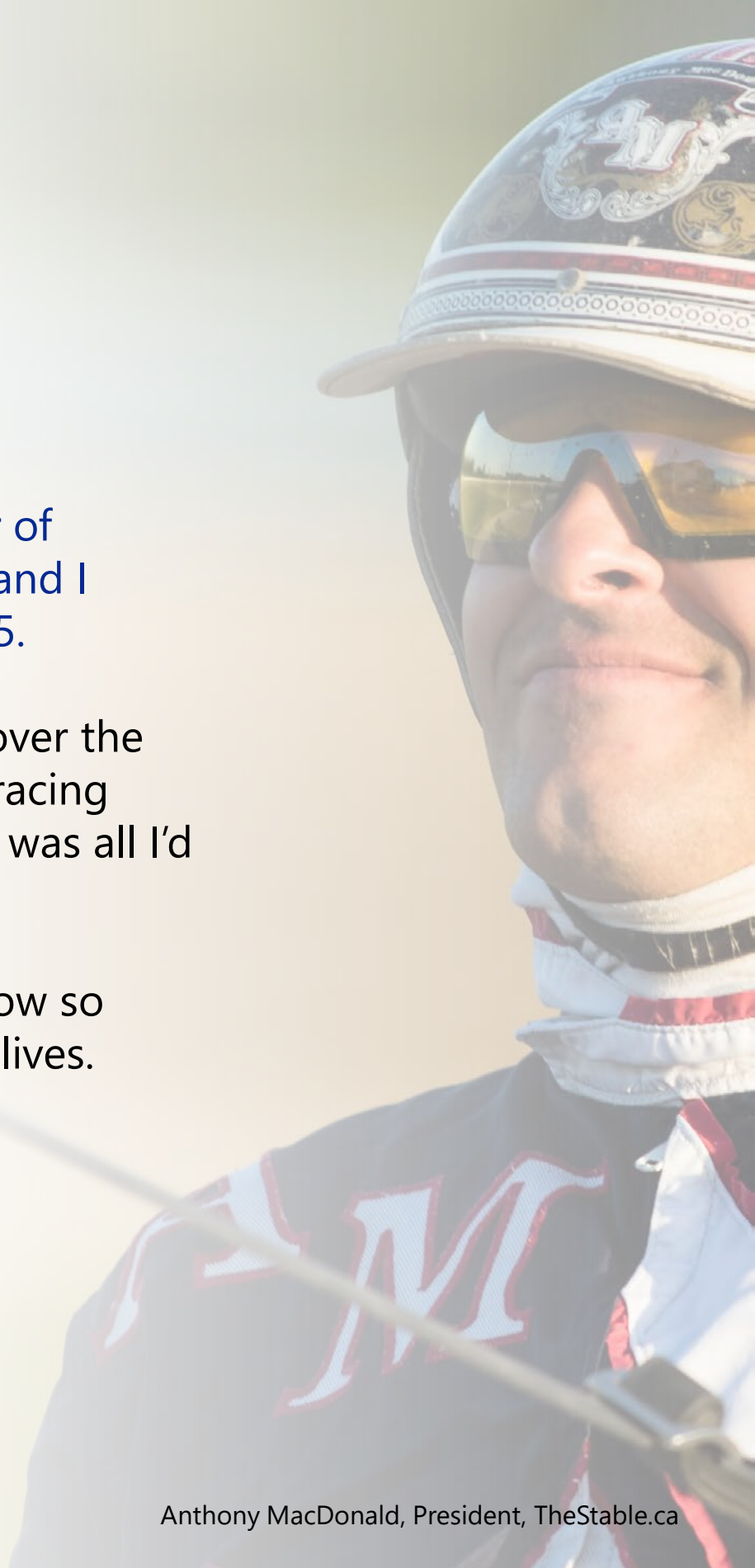
Welcome to **TheStable.ca**

We've made racehorse ownership easy.

We give people a chance to buy into the exciting sport of harness racing for a uniquely low price. Buy as little as 1% of a racehorse and experience 100% of the thrill.



Our clients visiting a yearling during an open house.



Hi, I'm Anthony, co-founder of TheStable.ca. My wife Amy and I created TheStable.ca in 2015.

I've driven 24,000+ horses over the past 20 years. Training and racing horses, and raising a family, was all I'd ever wanted.

We had no idea it would grow so quickly, and touch so many lives.

Anthony MacDonald, President, TheStable.ca

Amy, Ava and Anthony MacDonald in the Winner's Circle with Aspen California.





As little as 1%.

Modest investment.
Low risk.
Shares \$100 & up.



Talk to a human.

Accessible 7 days/wk.
No sales pitch. No BS.



Transparency.

Open dialogue.
Open barn.
Focus on consistent
customer service and
delivering value.



Community.

Racing neophytes
have additional
support/learning through
online community & events.




No surprises.

Monthly electronic bill
\$25.75 + tax /share.
Discussion before
major decisions.



Engagement.

A valuable interactive
experience.



Our origin story has many twists and turns including an upheaval of the horse racing industry, many sleepless nights for our family, an unexpected foray into local politics, a spark that ignited an enterprise, and the resulting phenomenon:

TheStable.ca

Our bi-weekly drone broadcasts are delivered by live streaming video to keep our clients updated on their horses' progress.

TheStable.ca is not the first fractional horse racing stable ever created, but if you're looking for an experience that guarantees entertainment,

it's the best.



The Stable is a fun and low-risk opportunity to be an active owner in the harness racing industry. Own one share or 100, it's entirely up to you. I love it and the people of The Stable!

- **Marlene White, ON**





Our 150+ horses train at our stable in Puslinch, ON.

Own a little

How it works

Our revolutionary, award-winning model of Standardbred horse ownership, where our clients are seen, heard and feel valued, is driven by these essential elements:

1. **Affordability** - Purchase as little as 1% of a racehorse (as low as \$100). Monthly flat-rate training fee set at \$25.75 + HST per percentage ownership.
2. **Accessibility** - Communicate directly with TheStable.ca via phone, text or email. Visit the barn with family and friends. Watch professional bi-weekly live streaming video broadcasts (including drone camera and on-screen graphics) during training season. Regular social events for owners: Open Houses, Track Nights, etc. One-stop source for results, entries and more via TheStable.ca app.
3. **Ease of getting involved** - Browse the horses' profiles, complete a contract and purchase percentages directly from our website.

Own a little

How it works

Our Clients at a glance:

627 CLIENTS in 4 years

from **11** countries

own horses racing in **8** jurisdictions (CAN + US)

own an average of **4x 1% fractions**

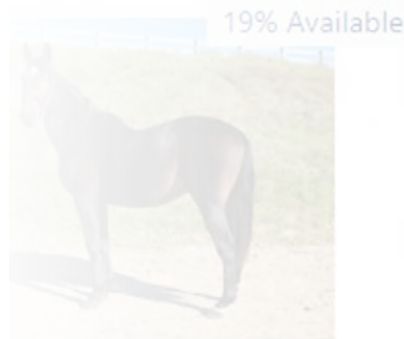
pay **\$25.75 + tax/month** per 1%

Own a little

How it works

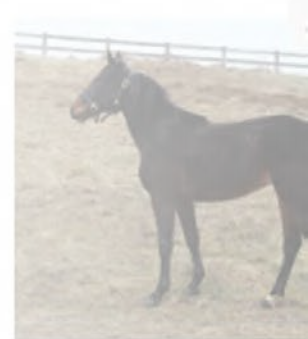
Here's how you do it:

1. Browse 'The Horses' on our website.
2. Select a horse and click the 'Buy' button.
3. Complete the order form and pay online.



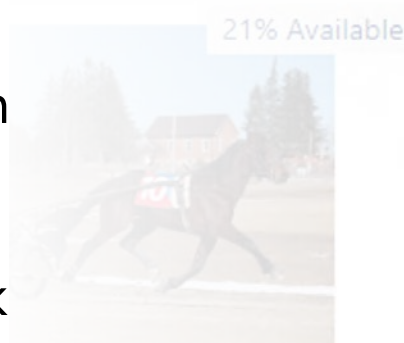
Anteros "Injured"

Ontario bred Trotting Colt
by E L Titan
\$202CDN Per Share



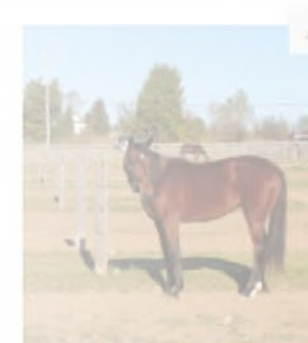
Capistrano

2YO Ontario bred Pac
by Warrawee Nee
\$470CDN Per Sh



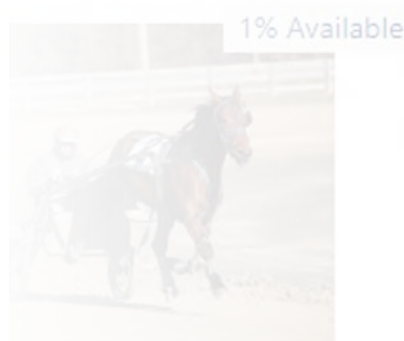
Luisin With Angus

Ontario bred Trotting Colt
by Angus Hall
\$520CDN Per Share



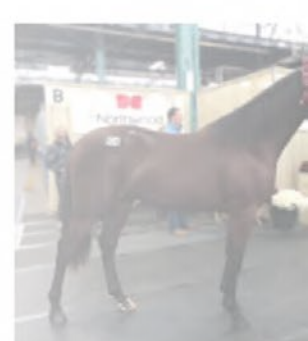
Delcrest Staran

3YO Ontario bred Trot
by Archangel
\$475CDN Per Sh



Final Answer

PA bred Trotting Colt
by Yankee Glide
\$780CDN Per Share



Forged In Fire "Inj"

2YO PA bred Trottin
by Yankee Glid
\$419CDN Per Sh

Shares can be purchased online directly from our website.

Own a little

How it works

Our Horses at a glance:

140 HORSES

70 TWO-YEAR-OLDS

55 THREE-YEAR-OLDS

14 AGED HORSES

1 YEARLING

Own a little

How it works

Access your account

Once you've made your first purchase, you'll receive a full-access account at thestableca.com.

Within this online account, you can manage and pay your bills, receive updates about your horse and message/interact with other clients (if you wish to do so). You can also buy fractions of other horses and sell your fractions to other clients (at a price you set) any time within your account.



Username:

Password:

[Forgot Username](#) or [Password?](#)

Log in, pay bills, receive updates and interact with other clients.



With innovation, great customer service, transparency and good horses, TheStable.ca is changing the game. They're inventing engaging and affordable ownership for a new generation of fans. Look for me and my friends in the winners' circle!

Bernard Tobin, ON



White Tiger (one of our star horses) is cheered on by our clients at the Meadowlands Racetrack in New Jersey.



Own a little

How it works

Monthly fee

Once you've purchased fractions of a horse(s), you'll pay a monthly fee of \$25.75 (plus HST) per 1% fraction you own, per month. This monthly fee covers all of the horse's daily expenses (food, shelter, bedding, care).

Incidentals

There will be additional costs, called *incidentals*. Incidentals include veterinary work, shipping to the racetrack and stake payments (to ensure your horse is eligible to compete in big races.) Incidentals vary, so there is no hard-and-fast number but we suggest clients budget an extra \$8 per 1% fraction per month.

Your horse(s) may also earn purse money (prize money) which will offset all of these costs.

Own a little

How it works

Licensing

The only other costs you'll need to consider are for licensing and/or memberships. You are an official owner of a racehorse when you buy with TheStable.ca and owners must be licensed. TheStable.ca is bound by the Rules Of Racing for the jurisdictions in which we race our horses. Your licensing requirements (and costs) will be dictated by where you live, the number of fractions you own, and where those horses will race.

You will need to obtain at least one license or membership. This means you'll need to budget a minimum of \$100/year. We recommend you budget \$150 – \$200/year. While it's ultimately the responsibility of our clients to get their licensing in order, we have resources to guide you and staff to advise you.



Enjoy bringing your friends and family to meet your horse at the stable.



When you allocate your entertainment dollars, once the event is over, it's done with. Through fractional ownership, the experience isn't over when the event ends. The value goes beyond the race. It's also something fun that our whole family can enjoy together.

- **Rudland Family, ON**



[Read the full story here](#)

Love it a lot

Here's what you get

Barn visits

Visit your horse at the barn anytime our staff are onsite. Bring as many friends as you like and prepare to make new friends (especially if you bring carrots).

There's also an indoor viewing area from which you can watch the horses train on the track during inclement weather.

Love it a lot

Here's what you get

Communication & Remote Access

We pride ourselves on having the most informed and engaged clients in horse racing. With clients in 11 countries, barn visits aren't possible for everyone.

You'll receive weekly messages, emails and video commentary updates about your horse. We regularly post photos of the horses in training and host webinars where clients can ask questions about hot topics.

You'll find a treasure trove of videos on our YouTube channel where you can explore past commentary and training videos for all of our horses.



Media Center



TheStable Commentary



Live Feed From Tomiko



Set List



TheStable Drone Videos

Love it a lot

Here's what you get

Client care & Community

Great service whether you own 1% or 100%: that's our promise to you. You'll receive regular updates about your horse and timely responses to your inquiries. Our customer care standard is based on transparency and professionalism, and is the cornerstone of everything we do.

For many people, one of the best benefits of becoming a client of TheStable.ca is the value of *community*. Meeting and engaging with fellow clients is a fun and enriching part of the horse ownership experience.

TheStable.ca hosts a number of social events throughout the year, including two major Open Houses and racetrack outings. We are always developing new ways to foster this sense of community, because that's a big part of what made us fall in love with harness racing, too.

Love it a lot

Here's what you get

Money

Yes, money. You'll receive your respective percentage of the horse's purse (prize) earnings. Aside from regulated deductions (5% for the trainer and 5% for the driver), the rest is distributed accordingly to the clients who own the respective fractions of the horse. Purse earnings are deposited into your online account and can be used to offset your bills. Or, you can request your funds with the click of a button.

Love it a lot

Here's what you get

Access

Learning

**Unique
Experience**

Community

Engagement

Connection

Entertainment

The Dream

#ownalittleloveitalot



“

It's not to make millions,
but to be part of a winning
team and having a fun
conversation piece.

And, to make you believe
again in dreaming.

— **Randy Zane, ON**

“

Even though I invested little,
The Stable treats me like I
have 100% of the shares. I
am very grateful for The
Stable and I've never I
mean I've NEVER (!) had
better service. I feel like I'm
inside a real family.

— **Charles Parent, QC**

“

I've wanted to own a horse
my entire life. Getting into
ownership was confusing
and intimidating. The
Stable made things easy. I
am truly grateful for what
they are doing. This has
allowed me to achieve a
lifetime dream I thought I
would never be able to
afford.

— **Pep Moretti, IL**

“

I have met an amazing
group of owners from both
sides of the border. I know
that regardless of what
percentage of a horse I own,
when I hand my license
to Security to go into the
paddock, I feel that I own
100% of the horse.

I walk into that paddock like
John Travolta in Saturday
Night Fever.

— **Dave W, ON**

**Questions?
Ask us!**

@thestablecanada



General Inquiries:

Kelly Spencer – Director of
Business Development

>> kelly@thestable.ca

Cell: (519) 465-7908

Anthony MacDonald – President

anthony@thestable.ca

Cell: (519) 400-4263

Wendy Katarincic – Bookkeeper

wendyk@thestable.ca

Linda Henry – Licensing Liaison

linda@thestable.ca

Visit us:

The Stable at
Tomiko Training Centre
210 Campbellville Rd.
Hamilton, ON L0P 1B0
Canada

*All aforementioned rates and figures
are subject to change. All figures are
accurate as of summer 2019.

The  table.ca