
FINAL REPORT
Thoroughbred Owners and Breeders Association
Sales Integrity Program Buyer Survey

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1.1 Overview & Methodology

This research project was initiated by The Thoroughbred Owners and Breeders Association's Sales Integrity Program to:

- Determine to what extent periosteal elevation and transphyseal bridge surgical procedures affect a buyer's decision to purchase a horse
- Provide a forum for buyers to make any additional suggestions about the program

Beginning May 2, 2006 a mail survey with an online option was sent to 4115 individuals who had purchased a weanling, yearling or two-year-old in the past 24 months. Keeneland and Fasig Tipton provided the lists of individuals. The packet that was mailed included a letter from the Chairman, Reynolds Bell, outlining the purpose of the survey. Questionnaires were accepted for processing until June 16, 2006.

Total Mailed	4115
Questionnaires received	726
Questionnaires processed	719
Mail returns processed	688
Online returns processed	31
Return Rate	17.6%

The tabulated results are based on the responses of those who had purchased weanlings, yearlings or two-year-olds in the past 2 years.

Have purchased a weanling, yearling or two-year-old in the past 24 months	%	#
Yes	94%	676
No	5.1%	37
<i>No response</i>	<i>0.8%</i>	<i>6</i>

The data analysis includes categorization of responses by the total number of weanlings, yearlings and two-year-olds purchased in the last 24 months, familiarity with periosteal elevation and transphyseal bridge surgical procedures, purchase value of the Thoroughbreds purchased, primary involvement in the Thoroughbred industry and years purchasing Thoroughbreds. Participation within these categories is shown in the tables that follow.

Number Of Weanlings, Yearlings and Two-Year-Olds Purchased

How many horses [weanlings, yearlings, two-year-olds] did you purchase in the past 24 months? (combined)

	%	#
Base		676
2 or less	26.9%	182
3-5	29.9%	202
6-10	17.5%	118
More than 11	22.2%	150
No response	3.6%	24

Familiarity With Surgical Procedures

How familiar are you with periosteal elevation (PE) and transphyseal bridge (screws and wires) surgical procedures?

	%	#
Base		676
Familiar	78.8%	532
Not Familiar	20.9%	141
No response	0.4%	3

Purchase Value

What is your estimation of the total amount (in U.S. Dollars) you have spent on purchases of weanlings, yearlings and two-year-olds in the past 24 months?

	%	#
Base		676
Less than \$100,000	42.5%	287
\$100,000 - \$499,000	30.9%	209
\$500,000 - \$999,999	11.4%	77
\$1,000,000 - \$1,999,999	6.2%	42
\$2,000,000 - \$4,999,999	6.2%	42
More than \$5,000,000	2.4%	16
No response	0.4%	3

Primary Involvement

What is your primary involvement in the Thoroughbred industry?

	%	#
Base		676
Owner	40.5%	274
Racing	27.5%	186
Breeder	25.0%	169
Training	8.9%	60
Buyer	8.6%	58
Seller	8.4%	57
Agent	6.5%	44
Farm Manager	4.6%	31
Pinhooking	1.2%	8
Other	3.0%	20
<i>No response</i>	<i>0.4%</i>	<i>3</i>

Years Purchasing Thoroughbreds

How many years have you been purchasing Thoroughbreds?

	%	#
Base		676
3 years or less	8.0%	54
4-6 years	11.5%	78
7-10 years	15.7%	106
11-19 years	16.4%	111
20-29 years	25.3%	171
30 or more years	22.2%	150
<i>No response</i>	<i>0.9%</i>	<i>6</i>

Note: Throughout this report: Questions allowing multiple responses are marked with an asterisk (). Totals for these questions may add to more than 100% due to multiple responses.*

1.2 Summary Of Key Findings

The research conducted with buyers of weanlings, yearlings and two-year-olds provides insight into the attitudes and opinions associated with periosteal elevation (PE) and transphyseal bridge (screws and wires) surgical procedures and how knowledge of these procedures affects buying decisions.

Familiarity With Surgical Procedures

- 65% of respondents indicated that they were at least Somewhat Familiar with periosteal elevation (PE) and transphyseal bridge (screws and wires).
 - The likelihood of the respondents being familiar with the procedures increased as the number of horses purchased, the purchase value of the horses and the length of time the respondent had been purchasing Thoroughbreds increased.
 - Agents, farm managers, breeders and sellers were more likely than other groups to indicate they were familiar with the surgical procedures.

Influence on Purchase Decision

- 28% of respondents indicated that knowledge of the surgical procedures Greatly Influences their purchasing decisions.
 - Those who indicated their primary involvement in the Thoroughbred industry was training (47%) or racing (42%) were the groups most likely to indicate that knowledge of these procedures Greatly Influences their decision to purchase the horse.
 - However, as the total number of horses purchased and the purchase value of the horses increased, the likelihood that the respondent would indicate that knowledge of these procedures being done has No Influence on their decision to purchase the horse also increased.

Likelihood Of Purchase

- 68.5% of respondents indicated that if a horse had one of these procedures, they would be at least Somewhat Less Likely to purchase the horse.
 - Those who had purchased fewer Thoroughbreds and those who had invested \$100,000 or less were more likely to indicate that if they had knowledge of these procedures being done, they would be Much Less Likely to purchase the horse.
 - However, respondents who indicated they had purchased 6 or more Thoroughbreds, as well as those whose total purchase value of horses exceeded \$100,000, were more likely to indicate that if a horse had these procedures done, it would Make No Difference in how likely they would be to purchase the horse.

Frequency Of Asking The Seller Questions

- 55% of respondents indicated that in the past two years, they have asked the seller about corrective surgical procedures in at least some cases.
 - Those who have purchased 10 or fewer horses were more likely to state that they ask the seller about corrective surgical procedures in every case.
 - 62% of respondents felt that sellers provided satisfactory responses when asked about surgical procedures.

Reason For Purchase

- Over half of respondents indicated that the weanlings, yearlings and two-year-olds they purchase are for racing.

Professional Advice

- 70% of respondents indicated that they consult a veterinarian when making purchasing decisions.
 - Respondents who were familiar with the surgical procedures (76%) were more likely than those who were unfamiliar with the procedures (48%) to seek advice from a veterinarian.
 - As the number of horses a respondent had purchased and the purchase value of the horses increased the likelihood that the respondent would seek the advice of a veterinarian when making purchasing decisions also increased.

1.3 Insights

The research findings provide valuable insight into the opinions of Thoroughbred buyers as those overseeing TOBA's Sales Integrity Program consider their position regarding the disclosure of information on surgical procedures performed on young horses prior to selling them at auction.

The research findings indicate that familiarity with the surgical procedures forming the basis for the study is **significantly greater among those buying more horses and spending more money on those purchases, along with those who have been purchasing horses for longer periods of time.** Among this segment of high-level and experienced buyers, **knowledge that these procedures have been performed tends to have less of an impact on their purchase decision.** However, **over half are less likely to purchase a horse that has had one of the procedures.** These higher level buyers seem to have a sense for cases in which they will ask whether or not surgical procedures have been performed on a prospective horse and generally are given a satisfactory response from the seller. This segment is more likely than the average to be buying, then reselling horses, and has within it, a high percentage of agents. This segment likely constitutes just over 20% of the total market.

The segment that makes up the majority of buyers is composed of a diverse group who bought 10 or fewer horses over the past 24 months at a value under \$500,000. **Between 25% and 30% of this group is not at all familiar with the surgical procedures the study focuses on.** Over half of newcomers to the industry are not aware of the surgical procedures. The purchase decisions of these **mid to lower range buyers are much more likely to be impacted by the knowledge that surgical procedures have been performed. 60-80% of these buyers are less likely to purchase a horse who has had one of the surgical procedures performed on it.** The great majority of these buyers are intending to race the young horses they are buying.

With these distinct market segments in mind, somewhat different strategies may need to be considered for TOBA's Sales Integrity Program based on the varying level of knowledge of the individuals within each segment. What is clear is that **disclosure of surgical procedures by the seller is very important to each of the segments.**

While the nature of the Thoroughbred industry attracts those who tend to be risk-takers, fear of the unknown must come into play when young horses are being considered for purchase. There appears to be **great opportunity to educate those newer and less experienced in the industry** as to what the surgical procedures might mean in relation to a horse's performance. The fact that **higher level, more experienced buyers consider the procedures to have less of an impact on whether or not they will consider a horse for purchase that has had one of the procedures** seems to be a testimony to the fact that **disclosure does not necessarily hinder the sale.**

With trust being a critical component in the process of Thoroughbred auction sales, the **Sales Integrity Program is in an ideal position to provide encouragement of an open process that buyers can have confidence in.** In addition, through TOBA's outreach to buyers, education and information can be disseminated that can support the effort to demonstrate that **operating with high levels of openness and honesty will ultimately help the industry prosper and grow.** This is perhaps best stated in a quote about the Sales Integrity Program from one of the survey respondents:

This program is very important. Buying is mostly done on trust, and the higher the level of trust, the more likely I am to buy from the seller or agent.

2.0 Research Findings

Number Of Horses Purchased In The Past 24 Months

How many [weanlings, yearlings and two-year-olds] have you purchased in the past 24 months? (combined)

	%	#
Base		652
1	13.0%	88
2	13.9%	94
3	11.4%	77
4	9.6%	65
5	8.9%	60
6	4.6%	31
7	3.6%	24
8	3.8%	26
9	1.8%	12
10	3.7%	25
11-15	7.4%	50
16-20	5.6%	38
21+	9.2%	62

Average: 8.87

Median: 5.00

Average Number Of Horses Purchased

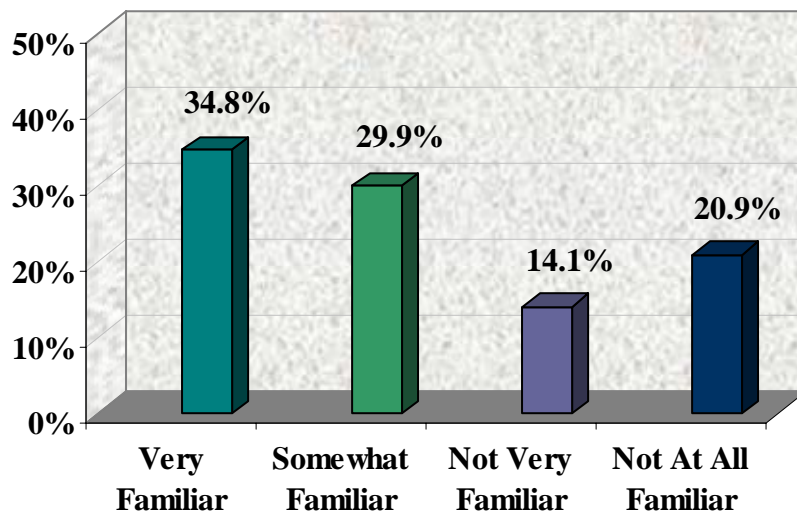
	Average
Total	8.87
Weanlings	5.36
Yearlings	5.77
Two-Year-Olds	3.28

Surgical Procedures

Familiarity With Surgical Procedures

When asked how familiar they were with periosteal elevation (PE) and transphyseal bridge (screws and wires), 65% of respondents indicated that they were at least somewhat familiar with the procedures.

How familiar are you with periosteal elevation (PE) and transphyseal bridge (screws and wires) surgical procedures?



Base: 673

- Those who indicated that they had purchased 11 or more horses (80.6%) in the past 2 years were more likely than those who had purchased fewer horses to be familiar with the surgical procedures.
- As the purchase value of horses increased the likelihood that the respondent would indicate that they were familiar with the surgical procedures also increased:

Less than \$100K – 52.1%

\$100K - \$500K – 66.9%

\$500K- \$2M – 81.5%

Greater than \$2M – 81%

Surgical Procedures - continued

Familiarity With Surgical Procedures - continued

- Agents, farm managers, breeders and sellers were more likely than those who considered themselves to be owners or involved in racing to indicate they were familiar with the surgical procedures:

Agent – 95.4%
Farm Manager – 90.3%
Breeder – 81.7%
Seller – 75.5%
Owner – 54.8%
Racing – 50.5%

- The longer respondents indicated they had been purchasing Thoroughbreds, the more likely they were to indicate they were familiar with the procedures:

3 years or less – 31.5%
4-6 years – 34.6%
7-10 years – 63.2%
11-19 years – 71.1%
20-29 years – 71.9%
30 years or more – 81.4%

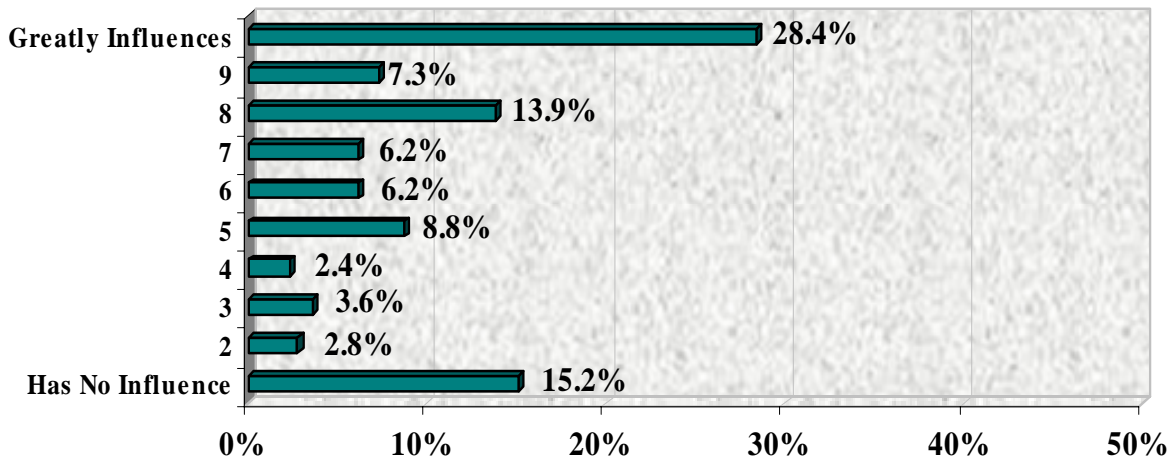
Surgical Procedures - continued

Influence On Purchase Decision

Respondents were asked to what extent knowledge of these surgical procedures having been performed on a horse influences their decisions regarding horse purchases using a 10-point scale, with 10 meaning Greatly Influences and 1 meaning Has No Influence. 28% of respondents indicated that knowledge of these procedures *Greatly Influences* their purchasing decisions.

To what extent does the knowledge that these procedures have been performed on a horse influenced your decision to purchase the horse.

(10-point Scale: 10=Greatly Influences; 1=Has No Influence)



Average: 6.61

Base: 505

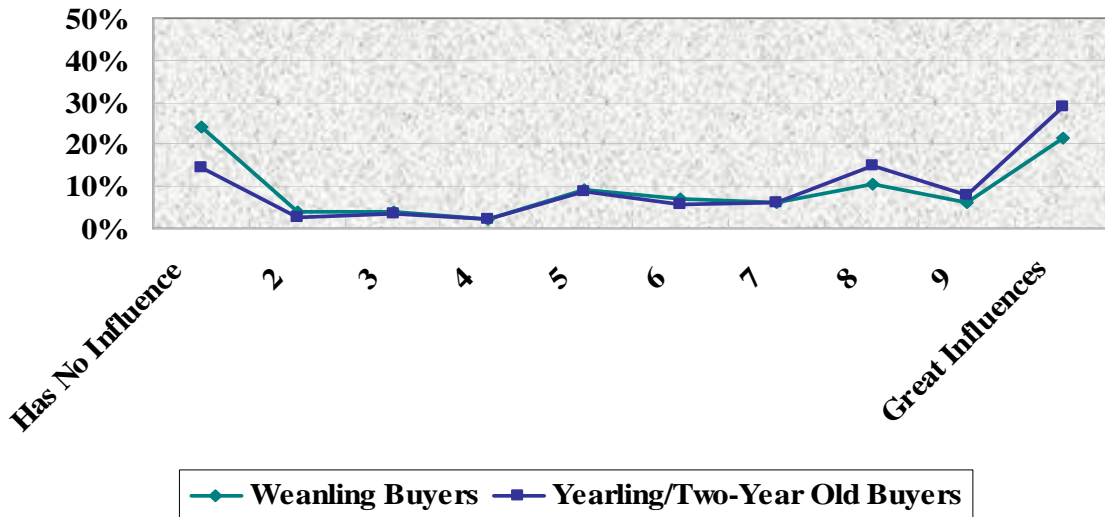
- Those respondents who indicated they purchased 11 or more horses in the past 24 months (30%) were twice as likely as the average (15%) to indicate that the knowledge of these procedures having been done Has No Influence on their decision to purchase the horse.
- Those whose total purchase value of horses exceeded \$100,000 in the past 2 years were more likely to indicate that knowledge of these procedures Has No Influence on their purchase decisions.

Less than \$100K – 5.9%
\$100K - \$500K – 20.2%
\$500K- \$2M – 19.8%
Greater than \$2M – 28%

- Those who indicated their primary involvement in the Thoroughbred industry to be training (47%) or racing (42%) were more likely than the average (28%) to indicate that knowledge of these procedures Greatly Influences their decision to purchase the horse.

Surgical Procedures - continued

To what extent does the knowledge that these procedures have been performed on a horse influence your decision to purchase the horse?



Average: 6.61
Base: 505

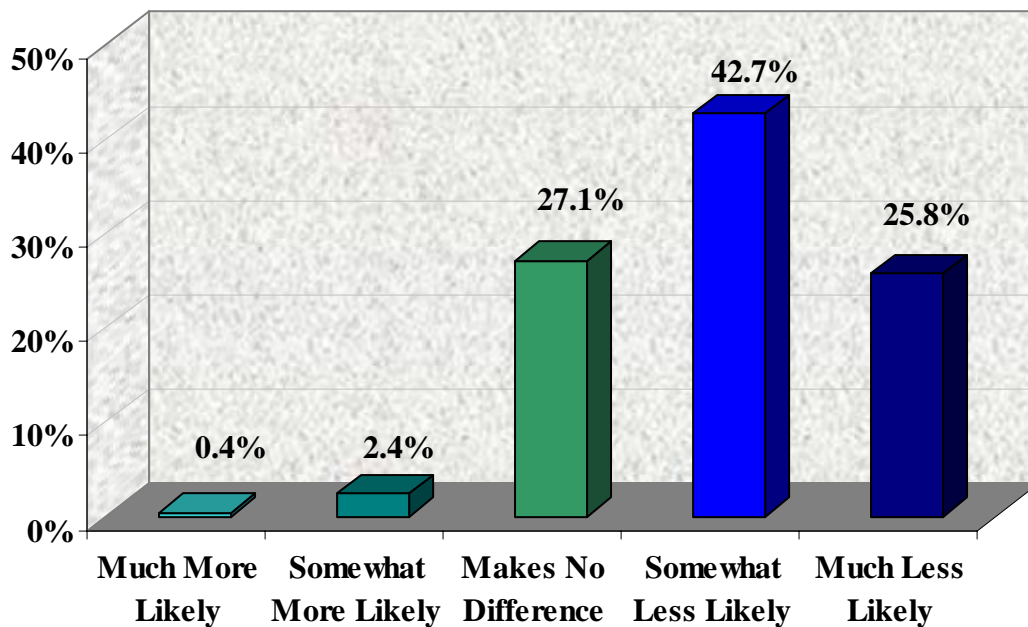
- Respondents who had purchased weanlings (24%) were more likely than those who had purchased yearlings or two-year-olds (14%) to indicate that knowledge of these procedures having been performed had No Influence on their decision to purchase a horse.

Surgical Procedures - continued

Likelihood Of Purchase

68.5% of respondents indicated that if a horse had one of these procedures, they would be at least Somewhat Less Likely to purchase the horse.

*If a horse has had one of these procedures, would you be [much more likely, somewhat more likely, makes no difference, somewhat less likely, or much less likely] to purchase the horse:
5=Much More Likely, 1=Much Less Likely*



Average: 2.07

Base: 523

- Those who have purchased 6 or more Thoroughbreds, were more likely to indicate that if a horse had these procedures done, it would Make No Difference in how likely they would be to purchase the horse, while those who have purchased fewer Thoroughbreds were more likely to indicate that they would be Much Less Likely to purchase the horse.
- Those whose total purchase value of horses had exceeded \$100,000 in the past 2 years were more likely to indicate that it would Make No Difference whether or not they chose to purchase a horse, while those who had invested \$100,000 or less were more likely to indicate they would be Much Less Likely to purchase the horse.

Surgical Procedures - continued

Likelihood Of Purchase - continued

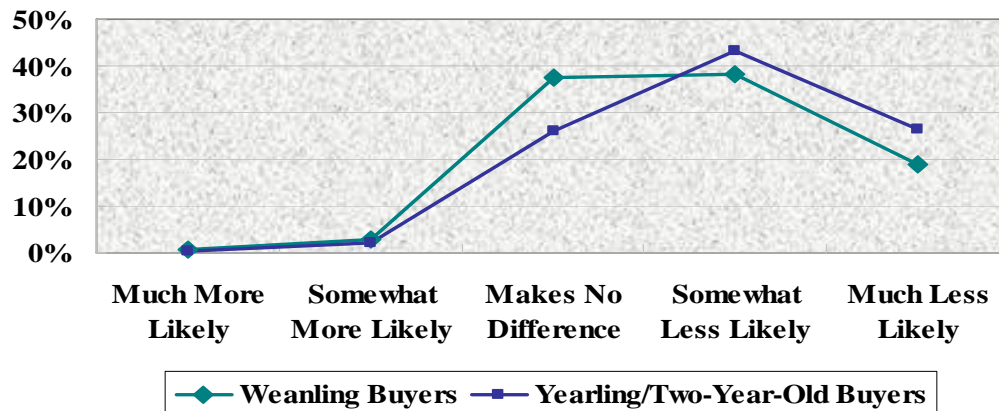
- Agents, farm managers, sellers and breeders were more likely to state that if a horse had these procedures done it would Make No Difference in how likely they would be to purchase the horse:

Agent – 50%
Farm Manager – 44.8%
Seller – 39.2%
Breeder – 36.7%
 Owner – 18.5%
 Buyer – 17%
 Training – 11.3%
 Racing – 9.6%

- Respondents who have been purchasing horses for 7 or more years were more likely to indicate that these procedures Make No Difference in whether or not they purchase a horse.

3 years or less – 12%
 4-6 years – 6.7%
7-10 years – 31%
11-19 years – 35.5%
20-29 years – 27.3%
30 years or more – 27.5%

Likelihood To Purchase Horse



Average: 2.07
 Base: 523

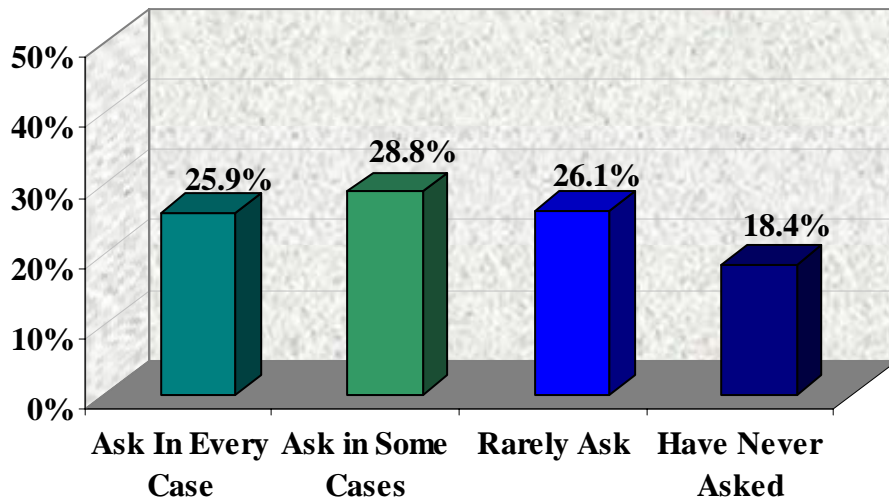
- Respondents who had purchased weanlings (37.5%) were more likely than those who had purchased yearlings or two-year-olds (26%) to indicate that knowledge of these procedures having been performed would Make No Difference in their purchase decision.
- Those who had purchased yearlings and two-year-olds (26%) were more likely than weanling buyers (19%) to indicate that they would be Much Less Likely to purchase the horse if these procedures had been performed.

Surgical Procedures - continued

Frequency Of Asking Seller Questions

55% of respondents indicated that in the past two years, they have asked the seller about corrective surgical procedures in at least some cases.

In the past two years, how frequently have you asked a seller if any corrective surgical procedures had been performed on a weanling, yearling or two-year-old you were considering purchasing?



Base: 532

- Those who have purchased 10 or fewer horses were more likely to state that they ask the seller about corrective surgical procedures in every case.
- Respondents who are primarily involved in the Thoroughbred industry as an agent (45.5%) were more likely to indicate that they ask in some cases than the average (29%).
- Respondents who have been purchasing Thoroughbreds for 4-6 years (47%) were more likely than the average (26%) to indicate that they ask the seller about surgical procedures in every case.

Surgical Procedures - continued

Seller's Response

62% of respondents felt that sellers provided satisfactory responses when asked about surgical procedures.

When you asked, did the seller generally provide you with a satisfactory response?

	%	#
Base		291
Yes	62.2%	181
No	22.3%	65
Sometimes/ Not always/ It depends	4.8%	14
Other ¹	2.7%	8
Don't know	2.1%	6
<i>No response</i>	5.8%	17

- Those who had purchased between 6 and 10 horses were more likely to indicate that the seller provided a satisfactory response:
 - 2 or less horses – 59.1%
 - 3-5 horses – 61.4%
 - 6-10 horses – 77.4%**
 - 11 horses or more – 54.2%
- Respondents who indicated they had been purchasing horses for 3 years or less were more likely to indicate that the sellers generally provided a satisfactory response.

3 years or less – 86.7%

- 4-6 years – 69.0%
- 7-10 years – 68.9%
- 11-19 years – 44.4%
- 20-29 years – 62.8%
- 30 years or more – 60.0%

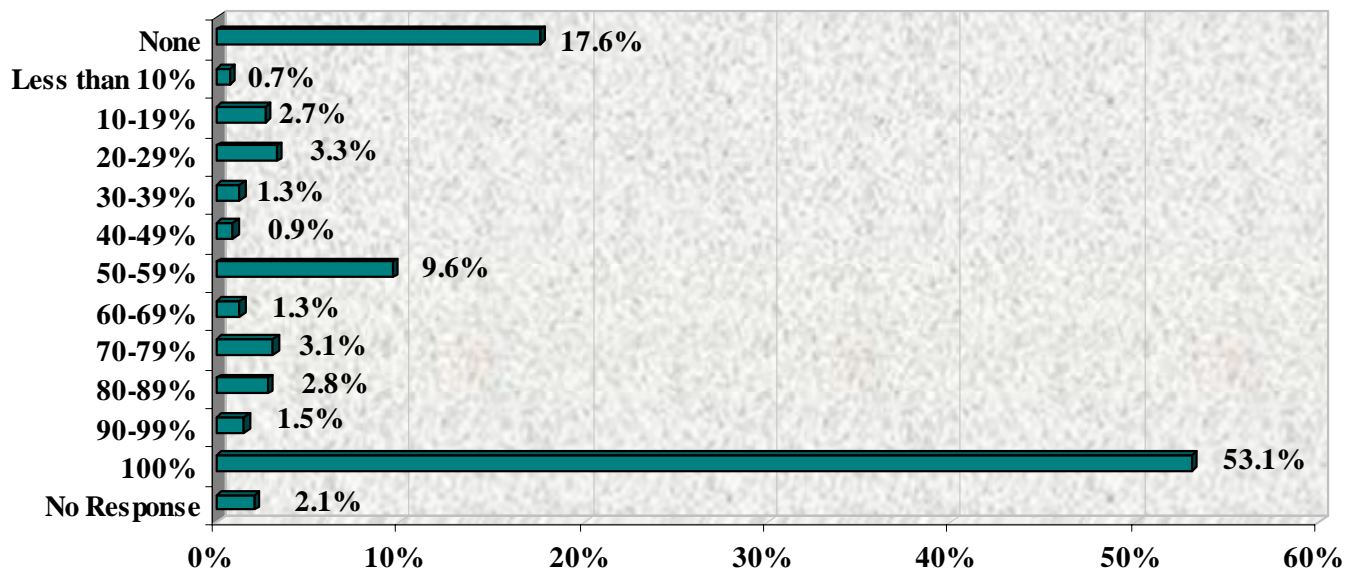
¹ Other responses included: Don't know if this information is always disclosed to consignor. When a consignor answers, "I don't know. This horse just came in," is he lying? I vet out all purchases. Some sellers, you refrain from buying their horses. The question is, who do you ask to get the proper answer. Vetting results. 40% of the time, the response was, "Not to my knowledge." The most frequent response is, "Not that I know of."

Reason For Purchase

Racing

Half of the respondents indicated that 100% of the weanlings, yearlings and two-year-olds they purchase are for racing.

Of the total weanlings, yearlings and two-year-olds you have purchased in the past 24 months, what percentage have you purchased for [racing]?



Average: 67.9%

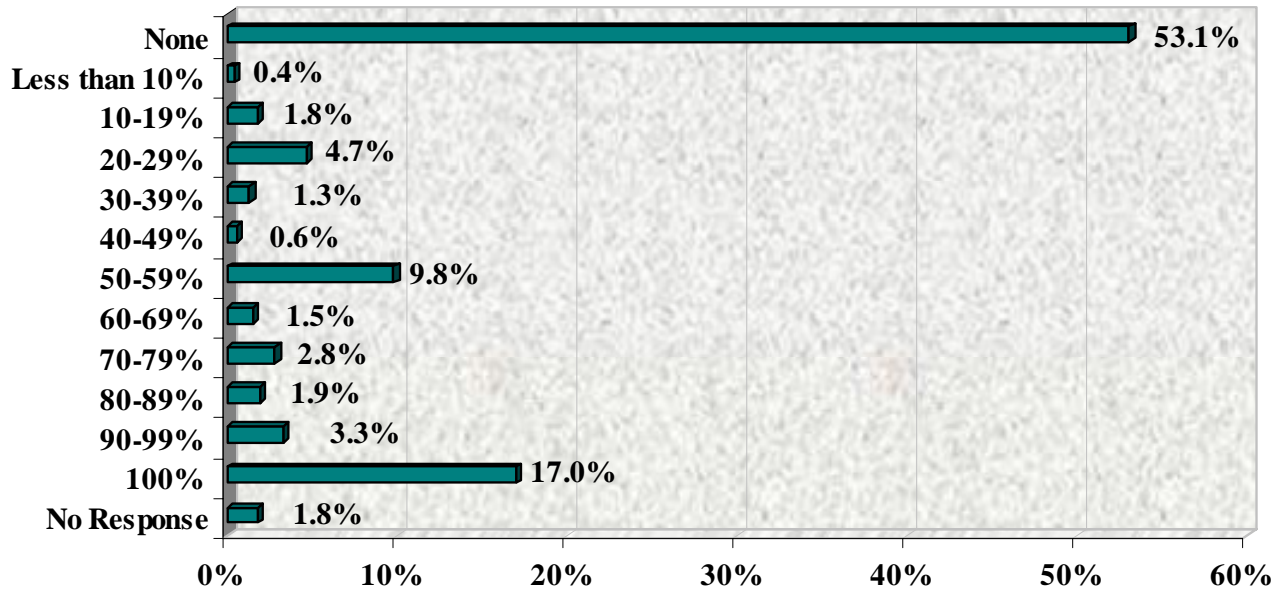
Base: 662

Reason For Purchase - continued

Buying To Resell (Pinhooking)

Half of the respondents indicated that *none* of the horses they purchase are for buying to resell.

Of the total weanlings, yearlings and two-year-olds you have purchased in the past 24 months, what percentage have you purchased for [buying to resell or pinhooking]?



Average: 31.9%

Base: 664

- Sellers (42.1%) and agents (36.4%) were more likely than other groups to indicate that they buy all of their weanlings, yearlings and two-year-olds to resell.

Professional Advice

70% of respondents indicated that they consult a veterinarian when making purchasing decisions.

*In making your purchasing decisions, from which of the following professionals do you seek advice?**

	%	#
Base		676
Veterinarian	70%	473
Trainer	46.9%	317
Agent	31.5%	213
Myself	2.4%	16
Farm Manager	1.9%	13
Partner	1.5%	10
Other ¹	9.2%	62
None of the above	8.3%	56
No response	0.7%	5

- Respondents who were familiar with the surgical procedures (76%) were more likely than those who were unfamiliar with the procedures (48%) to seek advice from a veterinarian.
- The more horses a respondent indicated that they had purchased, the more likely they were to indicate that they had sought the advice of a veterinarian when making purchasing decisions:

2 horses or less – 58.8%

3-5 horses – 64.9%

6-10 horses – 78%

11 or more horses – 83.3%

- In general, as the purchase value of Thoroughbreds increased, the likelihood that the respondent would seek advice from a veterinarian also increased:

\$100K or less – 59.6%

\$100K- \$500K – 73.7%

\$500K - \$2M – 84.0%

\$2M or more – 81.0%

¹Other responses included: Friends/Family (5). Breeders (4). Bloodstock Agent (2). X-rays (2). I watch and observe horses I like 4 or 5 times! Farm Team. Investment Group Manager. Experienced Horse person. My "guy". Consultant. Personal Inspection. Pedigree Analyst/Advisor. Pedigree consultant. Owner/Breeder. President, Cedar Meadow, Inc. Pinhookers. My employer who is a professional and is married to a vet. Equix. Research. Owner/Breeder. Rider. Other Owners. Bloodstock knowledgeable persons. My racing manager. Groom. Breezing Jockey. Consignor. Owner

Final Comments

Please provide any comments regarding the Sales Integrity Program's efforts to keep buyers fully informed in order to make more confident buying decisions.

Respondent Verbatim Comments

Note: Research participants may make multiple points in their responses. To the extent possible, these have been grouped according to what appears to be their main point or according to the first point made. Respondent comments have been edited for clarity, conciseness and to protect confidentiality.

Positive

- Good.
- Keep up the good work!
- Without the threat of penalties such as fines, jail time, etc., crooked sellers and/or agents will continue to cheat. However, your efforts to make all participants aware of these problems are a most positive step. Also, most sellers and agents are hard working, honest people.
- Keep up the good work, as full disclosure is very important.
- I think it is an excellent program and necessary for our industry.
- So far all is good and I do appreciate all the time and effort put into the program.
- Excellent program from the point of view of the industry in total!
- People in the right places are upgrading the game. It is better for my purpose in the Thoroughbred game!
- I think this is a positive thing for buyers and sellers. Most buyers are not concerned with corrective surgery.
- Good program.
- My wife and I appreciate the continuing efforts to ensure the integrity of all horse sale transactions.
- The effort is a great start, but probably needs to go even further with full disclosure on ownership.
- I purchased horses in Kentucky and Seattle in the U.S., in Vancouver B.C. and in Edmonton Alberta in Canada. I am very impressed with the Kentucky and Seattle sales. They do as much as they can for the buyer and I am thankful.
- The program is a very useful tool.
- I think this is a big step in the right direction.
- The program's efforts are very good.
- The first step in needed industry reform is very positive.
- Hopefully, this program will succeed.
- I am very happy. The TOBA is aggressively pursuing the goal of transparency and disclosure.
- I totally approve of efforts to ensure the integrity of racing.
- The Sales Integrity Program is a good idea.
- I applaud your efforts! This program will make our industry stronger and more credible.
- Keep up the good work! The program makes a great difference in the industry.
- I am pleased that you are interested in improving the disclosure of problems.
- The idea of the program is excellent. The guarantee of compliance by vendors is most difficult to enforce.
- Good work. Please keep reinforcing that vet issues do not always stop performance.
- In my opinion, the Sales Integrity Program is very essential.
- This program is very important. Buying is mostly done on trust, and the higher the level of trust, the more likely I am to buy from the seller or agent.
- From what little I know, good job.

Positive - continued

- Thank you for the survey. Keep working on this issue. Please listen to Mr. Jess Jackson.
- I support the program 100%!
- The Sales Integrity Program is appreciated.
- I appreciate the Sales Integrity Program.
- The program is very much needed.
- I think that the program is very much needed and is a great service for keeping integrity in the business.
- The program is long overdue.
- I like the program. We are going in the right direction. I do believe that if buyers and sellers who buy/sell through an agent would like to remain anonymous, then they should be allowed to do so.
- The program is an excellent idea.
- The program is okay at this time.
- Very good. I have seen too many scams. I would have the program encourage sellers to disclose drugs and give guarantees. At any 2 year-old sale, give 25% rebate over sale price to non-winners by end of the 4 year-old season who are trained by an approved trainer.
- Just do it!
- Good program. Keep it up!
- This was my first survey on information of this type. It was very helpful.
- The industry should try to get all consignors practicing the program.
- The more confidence you have in any product, the more you spend. I commend the program and think that it is a good thing, especially for those spending big money. It is only fair to expect people to be honest, and most people are if you ask them "point blank." It is up to the buyer to ask. Then, it is up to the consignor to honestly answer. If people keep spending big money and are cheated or feel cheated, it is fair to expect them to quit spending and spread the word about how they were cheated.
- I support the program 100%. The seller should be required to sign a statement before sale, agreeing with the Sales Integrity Program.
- I fully support the Sales Integrity Program. Surgical procedures are to be reported to protect the integrity of the thoroughbred business. It is a public trust issue.
- Prevent kickbacks to trainers, vets and consignors. Have clear pictures of all x-rays.
- I support the effort to keep buyers informed and to make the purchase a process with as few hidden and unclear areas as possible.
- Any measures we can have to help the buyer, we should implement!
- It is nice to get the new information so that I can keep up to date on all new programs and procedures.

In Favor of Disclosure

- We need more disclosure!
- Keep buyers fully informed.
- Make disclosure of surgery, especially all surgery that alters conformation, mandatory!
- Transparency is important. All surgical procedures that have been done should be in the repository. The buyer is entitled to know what has been done.
- All disclosures regarding procedures to a sale horse should be made on a voluntary basis by owner or agent.
- Full vet disclosures in the US and abroad. Access to pinhooking information (purchase price).
- Any surgical procedures should be made public. There should be a cross reference through all vet clinics on horses being sold at auction.

In Favor Of Disclosure – continued

- Any surgeries should be disclosed.
- I feel that PE's and any other surgical procedure should be declared. It will be my decision whether the information is pertinent to my buying decision. As a seller of 60-75 yearlings annually, I have no problem revealing this information.
- There should be more information available from vendors regarding veterinary matters and third party involvement should be disclosed.
- The more information, the better.
- I agree with fully informing buyers.
- There should be full disclosure, not just surgeries, but of drugs used as well. There should also be a video scope of all horses to avoid damaged multiple scopes and the spread of disease.
- We need full disclosure on everything. Be honest.
- We must be able to purchase knowing all the facts. Full disclosure.
- Full disclosure on all sales animals- owner, agent, surgical procedures.
- Honesty of facts surrounding sales animal. Disclosure of ownership and all influencing medical procedures.
- Any surgery performed after birth should have to be revealed, with no exceptions.
- All medical records should be disclosed and made available to buyers, with or without a vet being present.
- There should be better information as to what has been put into a horse to get him to the sale- i.e. tapping, blocking, and medication.
- Any surgery performed on weanlings, one or two year-olds should be mentioned in the catalog.
- Buyers should be made aware of everything that is known about the horses.
- Anything that gives buyers more confidence in their purchases is a good idea.
- Full disclosure should be enforced.
- Disclosure in general is critical in many areas, not just the subject of this questionnaire. Anything to reduce the double dealing, kickbacks, free breedings, etc. should be the goal.
- There should be full disclosure on surgeries and medications.
- I think there should be complete disclosure of surgical procedures performed and agent's commissions.
- Proper disclosure must be enforced.
- Let the buyer know if there are any problems whatsoever with the horse he/she may be purchasing.
- I support disclosure and openness, especially in dual agent relationships. I am strongly against undisclosed rebates (kickbacks) to agents, as with buyers or sellers. Agents should be licensed and held to ethical standards.
- I would like to see full medical record disclosure at the sales. I have bought two horses in the last two years, both with terminal illnesses that were undisclosed and undetectable at the sale. Two dead horses were not what I was planning on!
- The more information as a purchaser, the better. It is unfair to buy a horse at the sales and find out that some procedure was hidden. Even the use of Blue-Kote and painting should be prevented. If the horse is a great horse, he should command a great price and vice versa.
- As both a buyer and seller, I am a proponent of total candor, honesty, and full disclosure of medical conditions and past procedures, as well as agencies.
- The more transparency, the better.
- Information on sale horses is very important. If buyers do not feel properly informed, the sale loses integrity and the confidence of the buyer's future money losses.

In Favor of Disclosure - continued

- Keep up the good work. Transparency is a must, or the industry will suffer. Dual agency and surgeries must be fully disclosed. The industry should have the same standards as stock market or real estate transactions. Buyer confidence will ultimately help the health of the industry.
- I buy inexpensive horses. I also cannot afford the expense of having a vet examine each horse that I am interested in. Therefore, I must depend on looking for signals of surgery or depend on consignors providing vet reports. Some do and some do not. A mandatory disclosure of surgical procedures would be of great help, especially to less wealthy buyers.
- There needs to be full disclosure of all surgeries, etc. There should be no double agents.
- This is a good program. Buyers should be fully informed of the history of the horses that they are purchasing.
- All surgical procedures and any other sickness pertaining to sale horses should be announced or printed in the sales catalog, prior to the sale.
- Any surgery that alters a horse's conformation must be disclosed. It is the only way to maintain integrity and the confidence of buyers.
- More has to be done. There is minimal honesty with agents and sellers. I have been a victim of a lot of dishonest agents. All sellers, agents, and buyers need to sign a contract with full disclosure, or be entitled to a full refund.
- Sellers must list and announce surgeries.
- Horses should be checked by a veterinarian and any type of growing problems should be disclosed.
- I strongly believe that sellers of horses and agents should have a duty to disclose everything they know about any horse being presented for sale, and agents should have a responsibility to their clients (same as a real estate broker or other person in a position of trust).
- All surgical information should be made available.
- I think the program is a very good idea. Full disclosure is always a good idea.
- When I buy horses (I have bought weanlings, yearlings, and broodmares at public auction), I usually have a long list and not a lot of money. I have to rely on consignor disclosure as I cannot afford to hire a vet to look at repository information. (If I did, I would spend my purchase money within a couple of days).
- As a small-time owner/breeder who breeds and buys to race, I am concerned about the focus on the seller and pinhooker and how much money they can make. I think full disclosure on the part of the seller is critical, with regard to any problems or surgeries that the horse may have.
- Give buyers good information regarding the thoroughbred we are purchasing.
- There should be full disclosure of all pertinent information on each individual.
- I think that all information on surgical and steroidal uses and procedures should (at a minimum) be fully disclosed, as well as ownership and ownership transfers.
- It is very important to have disclosure.
- Sellers should announce any prior surgeries that the horse has had.
- I believe that disclosure of known conditions should be required by sellers.
- I prefer full disclosure to buyer beware.
- All sellers should be mandated to provide x-rays of all legs at the time of the sale, or the x-rays should accompany a vet report.
- There should be full disclosure on how horses are prepared for sales, i.e. medications, such as steroids, and what is permitted at each jurisdiction.
- All ownership in animals should be disclosed!

In Favor of Disclosure - continued

- I think x-rays, scoping, and reporting of all surgeries done on said horse are enough information. I like seeing horses 4 or 5 times to see their temperament and it changes each time I see them!
- If a horse had a surgical procedure to correct conformation, my opinion is that it should be noted in the sales catalog.
- If you want more people to get into the industry, you should be honest and truthful, to the best of your knowledge.
- It is necessary to make buyers aware of any known defects.
- I believe that the Thoroughbred auction industry is not regulated as it should be. There are kickbacks at every level and the owners, who pay the bills, suffer. I buy horses, take them to the farm and train them myself. I also breed them. I think that the repository is a great thing but it costs so much for a vet to read the x-rays, which increases the cost of the purchase.
- My husband and I have been in the horse business for a combined 30+ years. Starting in the Quarterhorse Show Circuit, we have been very successful and have carried that into our Thoroughbred venture. We feel that longevity is the true test of a horseman and providing all accurate and truthful information is a large part that will continue to take us into our next 30 years.
- Dual agency must be disclosed and some sellers should know better!
- Buyers should have access to the name of the breeder and whether or not the horse was purchased privately before the sales.
- We are making progress. Everything needs to be above board.
- It is very important to keep potential buyers as well informed as possible.
- This information should be readily available to prospective buyers without the buyer having to hire a veterinarian to read a disclosure in the repository. All agents should be able to respond to inquiries without saying, "I am not sure." All agents should be prepared to disclose the names of any and all buyers of horses offered for sale.
- The kickback schemes should be exposed.
- The more open the better.
- The only honest and right way to do business is with full disclosure.
- A lot of people try to hide things. We need to make it more difficult for them to do so.
- It won't be easy, but full disclosure is probably the best policy. Real Quiet is a good example of successful orthopedic procedure. Maybe these success stories should be emphasized.
- Full disclosure, please! How could you justify anything less? I buy fillies and I need to know if her conformation is based on heredity or veterinary science in determining whether to breed her or sell her after racing.
- All surgeries should be announced. Agents should not work both ends of a sale.
- I believe there should be full disclosure, which includes what drugs have been used.
- I applaud full disclosure efforts. I also think reserve amounts should be published at barns. Why should I waste my time and money if seller's minimum price is higher than I value the horse for?

Promote Buyer Education

- A little knowledge is a dangerous thing. I applaud the Sales Integrity Program's efforts but more emphasis has to be put on educating the buyer than on simple information.
- As a large consignor, as well as the many other hats I wear, I can tell you that buyers very rarely ask any of the questions you ask here.
- Don't impose too many requirements on repository until buyers have a way of learning what it means. Educate buyers.

Promote Buyer Education - continued

- Educate buyers on horsemanship. Teach what matters and what doesn't. Examples: X-rays and vet reports can't tell you if they [a horse] can or cannot run well; Size doesn't win races, etc. Buyers have been spooked by a lot of nonsense without regard to common sense.
- Educate purchasers and sellers alike to do their homework and work with people who are honest and trustworthy. It is not rocket science.
- Frankly, I think that the program is unnecessary. A buyer needs to educate himself or herself and decide in advance what he or she is willing to pay for a given horse. Anyone who tells his agent or trainer what he is ready to spend is foolish. I frankly do not trust agents, and while I may consider their opinion, I make my own decisions.
- I think people should do their homework. Also, they should know who they are getting to advise them.
- If asked, all consignors should disclose PE's and Windscrews. However, it should not go in the repository until buyers and agents understand and are educated on the effects. These procedures help the horse in a racing situation and may only be detrimental for breeding purposes. Also, until you can identify all weanlings and yearlings by a chip/tattoo, the honest consignors should not be penalized by putting these procedures in the repository.
- Knowledge is power.
- Use websites. Almost any or all important information is available in a short amount of time. I presently have a weanling that needs the surgery.
- Do your homework! Buy from people that you trust! Good luck!
- Tell buyers to do their homework, and then leave them alone.

Buyer Beware

- Do your homework or get out.
- It does not exist. It is buyer beware!
- We believe that there is too much information available that puts the seller at a great disadvantage. Buyers need to understand that there are too many variables that you can't control with a live animal. After all, it is an auction. Buyer beware.
- Integrity is an important part of all business today, and it is important to keep everyone well informed. However, it should be the buyers' or purchasers' responsibility to educate themselves and to ask the appropriate questions. Also, any ideas to improve the integrity of the industry should be disclosed with all parties so that no one group is adversely affected.
- If caveat emptor applies in other matters of life, why do many buyers not feel that they should do "due diligence" in buying a Thoroughbred? I believe the registration of agents is not realistic (i.e. who is an agent? How many horses does he have to sell? Can they be private sales? etc.) Do not let this exercise become a monster.
- Disclosure and honesty is important, but agents and breeders of these horses should be solely responsible. More information is provided than ever before with the cost almost fully on the weanling, yearling, or two year-old owner. Some responsibility must be shared by the prospective purchaser to see a knowledgeable and experienced veterinarian or ethical agent. All areas of business have unethical participants. Prospective buyers need to exercise care when choosing their advisors, as they would when using a stock broker, etc.
- I think buyers should have information available by asking. I do not think that a good consignor will hide too much. Buyers should do their homework and research good people to be involved with - not complain as an excuse for not doing their homework beforehand.

Suggestions for Improvement

- The Sales Integrity Program has made a good start but has a long way to go. I have sold some nice horses for decent prices, only to watch them resell for huge prices with previous purchaser acting as agent on the resell.
- I believe the dual agency work has been very good and is much needed. I believe more input should be sought before broadening the scope of veterinary issues. I believe the efforts of most of our organizations (TOBA, KTA, NTRA, BC and etc.) become "watered down" when they try to fix every problem instead of focusing on a concise and well thought-out mission.
- If you do not work with a vet and are able to read x-rays and you are interested in a horse, the buyer should be able to look at the x-rays without a vet. The vets are gouging the buyers.
- I am all for the program, but how do you police it? As a seller, I want the Sales Integrity Program to be in my benefit to disclose all, but I do not want to be the only one truthfully disclosing and then have the information used against me.
- As with sales of cars, there should be a horse fax for surgeries, etc.
- Owner information should be provided in the catalog. Previous public auction sales of each horse should also be provided.
- Have arbitration at all auctions in order to protect buyers.
- Horse ownership should be included on the catalog page instead of the agent's number.
- Agents need to be licensed. Commission from the buyer should go through the sales entity or consignment in order to minimize fraud.
- Sales integrity should also include the buyers disclosing their correct full names through the veterinarians to the consignor, with regards to the pre-purchase endoscope exam. Any and all buyers choosing anonymity when scoping a horse should forfeit all rights in the case of discrepancy.
- Much, much more could be done. I am moving reluctantly towards breeding because of the issues.
- The sample agent contract was a good idea, but the document you produced was extreme and impractical.
- All horses should be tested for drugs, including steroids.
- You should get rid of the repository. It has limited, if any, use and it drives people away from many useful horses.
- The breeders and owners should be listed on the catalogue page, not Agent X or Agent XI. Drug tests should be taken on sale horses. Adopt racing medication rules to the sales.
- The Sales Integrity Program must be backed up by law.

Concern

- We have been extremely disappointed with the integrity of the sellers of our purchases and have therefore cut our buying program of yearlings in America.
- I was a victim. I purchased a horse at the Calder Sales from an agent. The colt left the sales ground and turned up lame. After the operation, he never made the races. I boarded the horse for two years and received free vet service at the beginning. Everyone agreed I was taken.
- I believe the auctions are a breeding ground for nickel-diming buyers. Based on recent actions against agents and those who sell, I enter a sale concerned I'm going to be cheated. Even paying for looks at x-rays, etc., I never feel comfortable and I have to spend a lot to be sure of the integrity of the horse, which should not be part of the process. Even autos have warranties.

Sales Company

- Dual agency should not be permitted. The sales companies need to take the lead in this matter.
- It seems as though there is more interest in the owners of sales horses as they are offered at auction. The real concern should be the medications they are administered in the days leading up to the auctions, especially in the 2 year-old in training sales. Sales companies must take more aggressive steps to protect buyers.
- I would like to see sales companies cooperate with law enforcement authorities to report instances of kickbacks and commissions to buyer agents or offers and solicitations of same.
- Sales companies should also protect their client's buyers, as it is done in France. Especially for hidden vices.
- I think that without the blessing of the major auction houses, most of what you are trying to accomplish is impossible. They know a lot more than they are willing to supply to buyers. Some inside agents do get this information from the sales company and selling agents, but it is not available to everyone.
- As a buyer who purchases at a number of different sales, I would like to see more sales companies participate in your program and adopt the Sales Integrity Program's guidelines.

Positive Aspects Of Surgical Procedure

- PE has no importance. It is no drastic procedure.
- Correcting Angular Limb deformity preserves the horse's soundness as an athlete. Proper alignment allows joints to function better. Radiographs define surgery sites, whether or not the horse benefits. Buyers don't need to be afraid of properly done procedures.
- I truly believe that minor surgery to a weanling or yearling to improve the animal is a plus to the end user!

No Improvement Needed

- I think it was just fine the way it was and has been. We have a couple of cry babies that got burned because of their bad decisions.
- Most of the information I seek is readily available from the sales office and/or the seller.
- I think people tend to over think athletes. To me as a breeder, of 60+ foals a year, their vetting has no bearing on performance. Also, we do not and will never do a PE. Personally, I believe it is a waste of money.

Negative

- The TOBA has turned its back on the small breeder. It has become intoxicated in its own self-righteous morality.
- I am not familiar with the term "sales integrity." As far as I know, it does not exist.
- The program is a complete failure and is hopelessly inadequate at the moment. (Sale horses, not Race horses). Anabolic steroids should have a total ban - zero tolerance.
- Like spitting in the ocean. If you want integrity, you will have to throw the money changers out of the temple.

Miscellaneous

- One takes risks when purchasing horses of any kind for any reason. Your organization cannot eliminate all of the risks. Whenever I have encountered instances of outright dishonesty in a person or organization selling a horse, I never look to purchase a horse from them again and advise any of my clients to be wary. One must have knowledge to select horses, even more so when buying privately.
- Eliminate the crooks.
- Standardize grading in scoping. I want to see original vet reports, not edited versions.
- Without proof about connection, how can you assume it's a bad thing?
- Consignors that dye or cover up white hairs that have come from surgeries or bandages.
- I am primarily involved with the sale of yearlings, weanlings, and broodmares, and the purchase of broodmares. Questions regarding broodmare produce records are every bit as important as questions about yearlings, 2 year-olds, and weanlings.
- There is a difference between a "strip" and a "bridge." I will never ask if a horse has been "stripped" but might ask about a "bridge."
- Use common sense.
- I have had the procedure in question 2 done on a foal.
- I am concerned about steroid and growth enhancing drugs to make horses look big and strong at the sales. Any sellers/consignors involved in this practice should be banned for life from the industry.
- Consignors should be required to announce if colt is a ridgeling. We looked at one who had only one testicle, but when the colt went to the auction ring, there was no announcement.
- Steroids, growth hormones?
- I am not confident that the sales auction process protects owners at all.
- It is my opinion that there is too much information. Other than some procedure or medication covering up a lameness or problem with the horse, I do not think anything needs to be disclosed.
- The only people who get cheated at the sales are the fools and you cannot help them.
- Acupuncture and Chiropractic procedures should be allowed as long as purchasers are informed.
- The double dipping and deception is disgraceful. Worse than the dishonesty among agents is the drug situation. Something must be done to stop the drugging of horses.
- Please get the word out that not all horses with imperfect films and/or less than perfect throats cannot even race.
- As a breeder and seller I have had to race my fair share of horses with vet issues.
- I would like to have more information available on broodmares.
- I have purchased broodmares and plan on selling foals with the possibility of eventually racing some of the foals.
- In the sales ring, I believe that a lot of agents look out for themselves and their friends. There are a few good ones that do not play both sides of the fence.
- Let the seller know of any laws requiring full disclosure.
- The folks who consistently get caught misbehaving should be published and publicized.
- I am more concerned with steroids in yearlings than with corrective procedures.
- I think there are more honest agents than crooks. I know there are people on the crooked side, but many sellers are not. Also, I think owners have to realize that when sending an agent/trainer to buy for them, that they need to pay them. Not everyone knows the correct information to give - that is the problem.
- There should be no anabolic steroids!
- Knowledge of the horse, breeder, and consignor. Working well with your veterinarian.

Miscellaneous - continued

- What is being done about stallion farms running up early crop weanling/yearling prices in order to increase initial sales averages? This is a serious problem that dwarfs an agent taking a 5% commission. They cannot have it both ways!
- In some cases, the sales companies do not care.
- Good old boy system.
- I have purchased numerous horses at auction that actually deflated within a week of the sale. The use of steroids and other masking drugs is a larger problem, in my opinion, than the non-disclosure of corrective surgery.
- As a consignor of several hundred horses sold at public auction each year, I think buyers ask very few questions period.
- The mare market is more susceptible than young stock. Mares need to be addressed. Issues such as a mare in foal with a tumorous ovary that must be removed, or in foal with only one ovary. These unknown factors when you make a purchase can have a huge negative financial impact.
- Only 50% of the sale problems are being addressed with the focus on the weanling/yearling market to pacify the strong pin hook contingent. However, the mare market should be considered. Stripping a foal only improves its conformation, but a tear in the cervix, rectum, or vagina of a mare, or a mare with a tumorous ovary go by as buyer beware. If the mare is in foal, she is considered sound for breeding. With these problems, she is a liability and may never get in foal again. These problems and other reproductive problems should also be addressed. If you are going to require accountability it needs to be for the entire marketplace.
- The CBA letter last year on scoping was excellent. Veterinarians are too competitive with each other. They don't want to work together.