

Mr. X

May 7, 2002

Dear Tom and Nick,

I was the last person to speak on the show on Sunday after the Derby, and you asked that I write you to explain how I handicapped the Derby and what led me to War Emblem. You also asked about the computer program that I was using.

Analysis

At the outset, I want to point out that I can't remember the last time that I had a Derby winner. Having said that, my system that I have used for the last couple of years has eliminated false favorites and others that I thought would have no chance. I can't recall getting beat by any of these.

I have an Excel spreadsheet that I developed using a variety of sources, and I'll discuss that later.

I input data from the Racing Form based on a representative running line for 9 furlongs (F). In other words, I am not projecting to 10F but calculating the 9F time for comparison. The three primary criteria are as follows: final time, last three furlong time, and energy distribution.

An energy distribution above 68% indicates that the horse does not want to run any further. He has reached his limit. This group was worse than usual, and based on that alone, there were only three horses that could win: War Emblem, Perfect Drift, and Private Emblem. Johannesburg was a throw out on form and on his final time calculated off the Breeder's Cup Juvenile. Saarland also stayed in because he was close to 68%, was bumped in his last, and has Shug who is great with routers and would never enter a horse that didn't have a legitimate chance. I didn't really like the horse to win because he didn't have a 100 Beyer and really didn't look like a horse that wanted to win.

These four horses are S or SP in Sartin parlance, meaning that they run in the latter stages of the race timewise. War Emblem, however, has an E running style, but that is deceptive. I recall the

most famous S horse that had an early running style: Secretariat. That was my point to Nick on the show that while everyone thought that War Emblem needed the lead, I thought that he should get position because of his post (there was no speed inside of him). My only concern was that he might get cooked by Espinoza. After the race, however, Baffert explained that he told Espinoza to wait until the last minute, meaning that the horse had some late foot.

For comparison sake, I have included my printout from last year's race when I think I bet Aptitude. The point here is that there were eight horses with S or SP as opposed to the four this year. Under any circumstances, this group looked very weak and inconsistent with the exception of Buddha. While the horse scared me, I really didn't think he had a chance at 10F unless something really strange happened.

Now looking at the last 3 F time, War Emblem was a standout with the best, followed by Perfect Drift and Private Emblem. I never looked at Lukas' horse because he came off the 8.5F race; I didn't see that he ran 9F until after the race. I should also point out that I did my handicapping of the race a week before, and I was busy with work for the rest of the week, so I didn't really revisit the numbers. I did keep my eye on the works and the Derby notes on the Internet.

The third factor is the adjusted final time. Here again War Emblem had the best final time at 1:49.2, followed by Perfect Drift at 1:50.2, Saarland at 1:50.9, and Private Emblem at 1:51.2. Of course I left out the Wood horses, Buddha and Medaglia D'or. I felt that they had no chance to win, although they could be serious pace factors along with Harlan's Holiday. He had no chance off his %E and the fact that he had won twice in Florida.

There was another interesting point about this year's Derby: lack of cheap speed. Horses with speed thought that they had a chance and didn't want to compromise their chances by burning out early.

Finally, being in the pace is not really a factor in this race. My numbers told me that Medaglia and Buddha would be together at 1:10.6 if they ran the race at 9F, so you would have to expect that both would want to go slower if they wanted to win at 10F. By these numbers, War Emblem would be 10.5 lengths back at 6F and still had enough late foot to win.

So I was rather astounded to see that I liked a horse that had the highest Beyer on the program (112!), highest last race Beyer, won ridden out (Scott's big win), best final time, best energy distribution, and best final three furlong time. Add to that an excellent post, three good works, a Sheik that paid \$1 million, Baffert, and you had the look of a favorite. One other point: the horse was rank on a work earlier in the week, so Baffert changed the bit, and War Emblem relaxed much better. But no one was talking about the horse, and I thought that maybe I was the one who was crazy. All week I tried to find another horse, but I couldn't find anything close. Baffert was uncharacteristically quiet about the horse. We all learned afterward that he didn't want any of the speed horses to know that he had a contender that could get out of the gate.

Just to show you that I am not redboarding, I am enclosing an email that I sent to a number of

people telling them my bet. As usual, I changed my bet. But I still had \$20 to win on War Emblem, \$5 exacta box with the other three, and a \$1 triple box with the other three. I thought I won all three bets, but I mistook Proud Citizen for Private Emblem.

As I said, I felt that War Emblem didn't need the lead, so when Espinoza came out of the gate, all I wanted him to do was to stay off the rail, get position, and be about 4th or 5th. I really think that War Emblem just pulled Victor along, and he inherited the lead. At the top of the stretch, when others thought that War Emblem would fold, my numbers said that he would pull away. That was an impressive victory, and I think the horse has an even chance to win the Triple Crown.

Computer Program

For many years, I have been reading a number of handicapping books (Scott, Mitchell, Brohamer, Beyer, and Meadow) and trying to capture the best from each to develop an Excel spreadsheet that would meet my needs.

For the record, I have invested over 500 hours in developing the program and will not give it away or sell it. It probably has commercial value.

While I can't go into all of the details here, you can see from the first page printout that the program calculates equivalent times for all of the horses, including internal and final times. It also calculates all of the Sartin Methodology factors without printing it out and uses the energy distribution factor. The program corrects for distances using a parallel chart, corrects for different tracks using the American Turf Monthly Equalization Chart, and uses the Racing Form track variant for track condition.

The second half of the first sheet gives you the same information ranked by second call time. Additionally, another link gives you the winning profile for that track (I only use it for Saratoga), including lengths behind and energy distribution. If a horse meets the profile or the energy distribution, the computer lists a Y in the respective column. If it meets both, then a double star is entered. There are also three buttons on the program that run macros to (1) calculate going from sprint to route, (2) route to sprint, and (3) rank, save and print. All of the inputs are from the Racing Form, and the keystrokes are minimized to save time.

Also enclosed is a second sheet that is linked to the first. If I want to make my own odds line, the computer will calculate fair exacta odds plus 50% (Meadow) and will calculate the odds to bet and the amount to bet to win based on a bankroll. Then with the sheet in hand, you check the exacta payoffs and play only those that offer higher payoffs than are on the chart.

Results

As you have both said on many occasions, this program is only a tool to point you in the right direction. Like the Sartin Methodology, the program is very good for 6 and 7F sprints (and

anything in between), good for dirt route races up to 9F, and really not great for turf races.

The program does find false favorites and live horses. I don't find myself betting overbet favorites at all. Of course, the other half of the equation is betting the right way.

Betting

While I bet the big races, my focus is really Saratoga. Like most of the other dopes, I bet almost every race and have some fun there, while generally losing for the season. That is not to say that I don't have some big hits, but I'm more focused on having a good time than making money.

I started a tradition in my office to spend an afternoon each year at the track. A number of people asked me to give them some help with picking horses, so as a joke, I did my own tip sheet. To my surprise, we did very well in the first few years. What I found out was that if I wrote everything down the night before or in the morning before getting to the track, there was less chance of changing my bets. So now I do my own sheet which is enclosed and send it to my friends. Some of these same people are still my friends even after I give them bad horses.

Horse racing should be fun. I hope you both don't think I'm crazy.

Sincerely,

Mr. X