



Ed Bain's Layoffs & Claims

on line

NEWSLETTER

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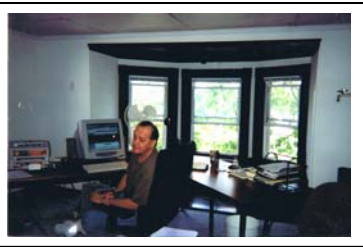
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WHAT IS WRONG WITH PLAYING SPEED AND WHAT IS RIGHT?



Ed Bain

Speed is the most dominant handicapping technique in racing. Speed is also impossible to make a living with when betting on horse racing. Is the problem in the approach to analyzing and betting the speed factor or is it simply so overbet that it becomes an underlay on practically every live horse and is thus unprofitable as a bet.

Overbet favorites are financial Armageddon if you do not understand how odds work in conjunction with speed and the favorite. I know that speed is overbet but just how much is it over bet?

Every race has a favorite and that means there were 60,000 favorites last year. There were 8.1 runners per race and the favorite wins about 33% of the time which means 20,000 favorites won. The average win mutuel for those 20,000 winners was \$4.71. That payout equates to 7/5. The favorite wins 33% of the time and the percentage of 33% equates to 2/1 odds, which means the favorite would have to give us an average payout of \$6.00 for us to break even. In fact, there is a four-level drop in odds from 2/1 to 7/5 and this is the reason you can not bet speed as a favorite because it is an underlay.

The favorite's win rate gets higher when the field size gets smaller but the win mutuel also becomes lower as the field size gets smaller. Class levels have an effect on the favorite's win rate. When you combine a small field size of five runners and a stakes class, the win rate moves to 44% on the favorite. This equates to odds of 6/5 but the average win mutuel drops at this class-and-field level to \$3.20 and this equates to odds of 3/5, which requires a 63% win rate to break even. Once again this is a four-level odds drop from the favorites win rate to what the public bets them down to. Once we take the average field size and blend all class categories, the overall win rate of the favorite is, as we said, 33%. But in a 10-horse field, the favorite will not win at a 33% hit rate. In this field size the favorite will win at a 26% win rate. This equates to odds of 3/1 which means we would need an \$8 average win mutuel to break even, but we confront a two-level descent in odds within this category of favorite, so once again, it becomes an underlay. If you are an exotic player you should know these odds. If you single the favorite horse in a pick 4 or pick 6 you should know what your real chances of winning are. Percentages are the best way to figure that out. Just because your horse is a low-priced favorite does not mean you have a good reason to use the horse as a single in a serial bet like the pick 4.

My beef with speed as the primary factor in determining the favorite is that the win percentage is never explained in context with the average odds. To bet speed you have no particular rules. You only identify the fastest horse (fastest in the past) that is usually the lowest priced horse on the board. This is the whole problem with speed because no one teaches us how to bet and win with the fastest horse in the race. A majority of players (in other words, the betting public) bets the favorite in every race, (that is compared with the percentage of players backing any other horse). Many of these players box the speed and another horse in the exacta and many years ago I did the same thing. This was a defensive bet hoping to cash for more than I put into the bet and such a posture is not a good reason to bet the favorite.

When I lived in Maryland I used to go to the Cracked Claw in Urbana. There was a player who bet the favorite in every race with the entire field on top and bottom in a \$1 exacta wheel. This guy named Neil said he cashed all the time and was very proud of his approach. He had a nick name; everyone called him Neil the Wheel. Some called him Neil the Paddle Wheel because he was trying to unsuccessfully tread water with his approach.

The best way to play the favorite is to track the favorite's results. We know there are 20,000 winning favorites, so the question becomes, "how do they win?" The answer is by field and class size and by odds. Once you have the finishing odds and you have the hit rate, then you can bet the favorite as an overlay or pass when the favorite as an underlay. If you always bet on overlays you will have a positive Return on Investment (ROI) over the long term even on low paying favorites. This is one approach to betting speed. I am certain there are others.

NEW PHONE MENTORING SERVICE

Several weeks ago one of our long time subscribers asked if he could buy an hour of my time on the phone. Through the years I've been asked several times to teach some handicappers how to bet though this is the first request to mentor over the phone. I had no idea what to charge so I asked him to set the price.

Susan and I are currently accepting appointments and if you're interested in trying this new feature feel free to visit the link below. Susan and I want everyone to win so if you're new to racing or our Past Performances or just want to try our service, if you purchase 1 hour of time on the phone with either of us we'll give you 1 month access to our new PPs. If you are a current subscriber and you would like to buy an hour of our time we will add a month to your current subscription.

<http://www.equi-stats.com/phonetalk.html>

This service is restricted to bettors who want to learn how to successfully invest in racing.

Q & A

Q. Hi Ed: I have a question about the data for this race. Specifically, the #3 Macey H trained by B Feliciano. The pps show this as an automatic for this trainer. Per the pps, the horse hasn't been out since March of this year (over 200 days). However, there is no layoff data present in the pps which, under these circumstances would seem to be critical. For instance, if he has terrible stats with long layoffs, then that might override the automatic with his claiming sprinters which is a more generic type of stat.

Could you tell me what his layoff stats are? Thanks to your data, I am looking at races in places other than California but I thankfully laid off this one because I was unsure of the layoff pattern and it ran out of the money at 4/1.

I have tried to attach the pps as I found them on the site. Thanks MG

POST 2 8% 8% 25%	Horse	Jockey	Weight	Owner	Trainer
3 8/1	Macey H 5Y G RR 8-1-1-1 12% 25% 37% DST 3-1-0-1 33% 33% 66% TRK 6-1-1-1 16% 33% 50%	Pimentel J DST 37-5-6-4 13% 29% 40% W/Tr 19-4-6-3 21% 52% 68%	120	Plaine Enterprises Inc S/CLM 10-1-0-0 10% 10% 10%	Feliciano Ben M Jr S/CLM 38-18-6-3 @ 47% 63% 71% W/Own 4-1-0-0 25% 25% 25%

Par equals 100%. This is the win percentage for all horses who hit par by each 1/4:

Date	Trk	Surface	Dist	Odds	Class	Purse	Jockey	Weight	1 ST 1/4	2 ND 1/4	3 RD 1/4+	ALL 1/4
20Mar09	LRL	Dirt-FST	6f	11.50	CLM	14K	Pimentel J	120	4 - 100%	4 - 99%	4 - 96%	4 - 99%
21Jan09	LRL	Dirt-FST	7f	21.00	CLM	10K	Pimentel J	120	5 - 101%	5 - 102%	2 - 101%	2 - 102%
11Dec08	LRL	Dirt-SLP	5 1/2f	0.80*	CLM	10K	Pimentel J	122	2 - 99%	2 - 96%	3 - 96%	3 - 97%
13Nov08	LRL	Dirt-SLP	5 1/2f	3.60	CLM	12K	Pimentel J	122	3 - 99%	3 - 99%	4 - 98%	4 - 99%

Workouts:	Oct 20 5f LRL 1:02. 0 11/21	Oct 9 4f LRL 49.60 16/26	Oct 2 5f LRL 1:03. 0 10/12
TRN LAYOFF 4 RACE FORM CYCLE:	TRN CLAIM 4 RACE FORM CYCLE:	TRN WLR 4 RACE FORM CYCLE:	TRN DEBUT 4 RACE FORM CYCLE:

A. I am sure the reason the Layoff did not show up is for one of two reasons (I forwarded your e-mail to our programmer for verification and I'll let you know when he replies.)

We do something called Aliasing. This is because a trainer, jockey, even the owners can be entered many different ways into the program and unless we tell the program that Tom Amoss is the same as Amoss Tom, or Amoss Thomas, etc, the program thinks this is a different person. This could be the case here and if it is the program may think that this horse changed trainers and if it thinks that, then it will not pick up the stat. The other possibility is the horse actually did change trainers and if yes, then the stats would not show up because the statistics are specific to each trainer. In other words if another trainer laid this horse off, then that statistic would not apply to today's trainer.

I think it is probably the first reason.

Please note that we manually enter all this data and the data base is huge. We try to keep up with the aliasing, though this is the one area we can get behind on easily, especially as we add more tracks. After this e-mail I checked and found at least 3 different variations of Ben Feliciano Jr., so I aliased these. That is why I believe that it's the first reason.

Will let you know what the programmer says.

If you come across this again and you want to send a note that you noticed this situation, I'll check it as soon as I can and alias it right then.

Thanks for your note. We're almost done with the FAQ which will explain a lot of this too.

Ed

Q. Hi Ed: I just want to clarify something in the updated automatics...though I did see these plays occur in the 2008 automatics but just not anywhere near as frequently.

I will use two examples....similar to each other.

If Churchill was running now....or for that matter in the spring, John Shirreffs is listed as route Graded Stakes.

Now does that mean absolutely any route Graded Stakes. I mean going back more than 4 races...no claim and no layoff in the last four??

Because often times you can go back 5, 6, 7 or more races....nothing,... but it is a route Graded Stakes. And I know most of your plays are based on not going back more than 4 races.

A similar example would be William Brett Calhoun at the Fairgrounds (or as you have probably heard some handicappers refer to it, the UnFairgrounds). Anyway I take it that means any William Bret Calhoun plays with Owner listed as Carl R Moore Management LLC going back in the PP as far as the eye can see even with out no layoffs or for that matter claims in the last 4 races.

I just wanted to make sure I am using the new automatics correctly. Of course I have my owner filters that I use which are quite similar to the ones you suggest. FB

A. On Shirreffs, that's all Graded Stakes. When I make a play it is always on the 4 race form cycle, whether it's a Layoff, Claim, Debut or Won Last Race. But as a subset I included All Graded Stakes or All Claiming Races to give context to that class. It's pretty amazing that you can have Automatic stats on Shirreffs in Stakes races.

On Calhoun, yes that is as far as you can go back, which is about 3 years, and he does not have to be a Layoff, Claim or Debut, or Won Last Race. It's cumulative with this owner and this trainer.

So you were right on both.

Q. Ed – I've just gone through my first weekend of using your new PP's at Churchill, and though I didn't make money (with what was happening there on Friday, God couldn't have made money), I did find your stuff valuable. There still are some questions I have that aren't clear from the FAQ section, even though I think you've made them clear.

To begin with, it seems unpredictable when a given trainer's form cycle is going to be shown. There were many very well-known trainers for whom no form figures were included, even on D1S races – i.e., Todd Pletcher, for one. I suspect that's a matter of just getting the data base complete and more and more of the system on line, but if there's a principle other than the "no listing of form cycle if the horse has changed trainer," I'd like to know it. My impression is that there's still a good deal of human error getting into that process, and that over time that will be corrected.

Here's the biggest one I tried to get an answer from you about before, and I still don't understand it. It concerns the yellow stripe and "the win percentage for all horses who hit par by each ¼." Now, I have a

Ph.D. and I'm not a dumb guy, but this escapes me. For instance, looking at Churchill's 12th race Saturday, horse #1 and #2, at least, show 12% in every category (1st call, 2nd, 3rd, finish). I find it hard to believe that the same figure applies to all four calls, if I understand what the categories mean. My translation would be that, for instance, horse #1 ran 102% of par in the first call in his November 18 race. I'm not clear if that has any relevance at all to the 12% figure above, or if that 12% figure means that in races of today's category (all MSW's, all 9 ff MSW's, all 9 ff? Which would it be?) that if you ran to par to the first call, you had a 12% chance of winning that race. But if that were true, one would expect that those numbers would change from call to call, since I suspect that a far higher percent of horses who run to par at the finish of a race actually win, than the 12% cited here. And in many races, it's zero all the way across, which either can't be true or I don't understand at all what the figures mean. I suspect others have a similar confusion.

Next and final puzzle for today. I know everybody computes pars in their own way, and that way may well be proprietary. But having computed my own, and using others', I find it hard to place much confidence in figures that cluster so closely together on a percentage basis. The "all column" for most races is between 98% and 102% for all horses, and most pars I've seen have winners usually running at 95 to 110 percent of par, and deep also-rans at perhaps 70%. This also may have something to do with how narrowly your system categorizes races for which pars are calculated. It would be much more useful to know that this horse ran 102% of par for 6f 30,000 claimers at Churchill, or for all sprints at all tracks, regardless of distance or class. How much of this is proprietary and how much is just hard to find a place for on the display? I'd like to know. If you get a chance to have somebody unravel my mysteries, I'm likely to be a much more zealous advocate for your material with my handicapping buddies. BG

A. Sunday was pretty tough I think. I had 182 stats and could only find 2 to bet. Looking at any thing new can be pretty tough to make money on the first day. There is a learning curve. Betting with filters and odds can get you up to speed real quick.

When no form cycle shows up it means we haven't aliased his name yet. There may be as many as 6 different spelling's of Pletcher's name. It may take another week to complete the aliasing. We recently added 10 tracks and that is why we have not caught up yet.

On the yellow stripe, I put this in so a player can get some context to speed. Every Speed figure is separated by class. Most tracks have about 20 Class levels. They are separated by distance and there are about 10 distances, so the stats get cut down to just a handful of races for some track's speed percentages. The thing to keep in mind about the speed % is that all the figures have been configured to today's class and distance at this track; he could have run at another track and his percentage to par is assigned on how he would do compared to this track's par times. Even though he ran at another track!

I think that you should know that I do not handicap speed in any way. I find speed a secondary factor because it is consistently over bet. There were just under 60,000 races carded last year. That means there were about 60,000 favorites and underlaid horses. I had my own speed figures displayed just like you see on the reports for ten years. I spent about 20 years on speed before I started tracking trainer stats in 1992. I committed to betting Layoffs and Claims in 1994. It took 2 years of trying to somehow incorporate speed into trainer stats and I found out they cannot be mixed. I have had a positive ROI every year since 1994 and have produced my living betting on statistics.

Brian, I probably have bet on the horses longer than your buddies and you are the one who can make the switch to making money rather than entertainment because you are inquiring about statistics. Let them bet speed as they have and they will continue to have a very rough time trying to bet speed as a primary factor and make a living. It is very difficult to change but if you want to make a living, stats are the way to go. Even if you do not want to make a living but want to make money, stats are still the way to go.

Speed players react similar to the way dog owners react to people who own cats. They bark and are very aggressive. I have 3 cats. The speed figures are based on the average length of the horse (8 feet) divided into the number of feet per 1/4 divided by the time of the 1/4. Each 1/4 is slower than the previous 1/4. If a race is run in 1:10.00 seconds and the time are 22 for the 1st 1/4 mile, the second would be run in 23 seconds and that adjustment is made. The last 1/4 is 25 seconds. All speed figures

are adjusted to their times and what I wanted players to understand is: what is the real chance they have of winning if they hit the pars? Betting speed and trying to make a logical case to bet speed makes sense until you look at your betting records. E-Mail me any time

Q. Mr. Bain, I would be interested to know if you have had a profitable year with your stats? EW

A. I have had a positive ROI every year every since 1994 that was the year I committed to play only statistics and not speed. I started tracking Layoffs and Claims in 1992 and it took me 2 years of trying to incorporate speed into Layoffs and Claims before I made the correct adjustment and dropped speed completely.

Prior to 1994 I had one year, 1978, when I walked into Laurel Race Track with \$50 bucks and walked out 5 hours later with \$18,000. I had a positive ROI that year because of that day. However, that was the only year betting speed that was profitable.

Q. I read your article in the November newsletter about your automatics criteria and have a few questions. 1) Since 80%+ of the automatics are for trainer/jockey combos, trainer/owner combos, trainer entries in allowance, claiming or stakes races, or favorites, can I assume you pass ALL of these races unless they also qualify for one of your four categories? 2) You don't play horses that are 0 for 4 at today's surface, but where do I find today's surface? (I assume you are referring to dirt or turf.) 3) Do you play more 4+30's than automatics? 4) Is the 3/2 odds minimum for all automatics or do you compute the winning percentage of each automatic stat and convert that to the odds table? 5) Do you make a play off the morning line or actually wait until seeing the post time odds before playing? 6) Is the 5% winning rate for a jockey for all his mounts or just the mounts with this trainer? 7) To find your daily plays do you scan every race or click on each 4+30 & automatic or ??? JG

A. Good questions

1) The bet has to come from a Layoff, Claim, Debut or Won Last Race to qualify as a bet. I then go through the filters to get me to the correct play.

2) That is correct: dirt or Turf.

3) I average 3 1/2 4+30s and 1 1/2 automatics

4) I bet all Automatics down to their win rate 3/2 (which is 40%) so I pass the bet at 7/5 which is 42% and thus an underlay.

5) I wait until about 2 minutes to post then bet. Most of my 4+30 bets are longer odds and I don't have to wait for the post time odds.

6) 5% on either

7) I click on each 4+30 & Automatic. That brings me to that race. Hope this helps. E-Mail me any time

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NEW
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NEW DIRECT DATA FEED TAKE YOUR BUSINESS BACK!



In the late 1990s, after the explosion of the Information Super Highway and several years after offering Ed's Layoffs and Claim statistics in book form, we like many businesses looking to expand decided to offer our products on the Internet. Ed hired a programmer to write the program to calculate his stats. Naively, once the program was finished, we thought all we needed was to locate a source for back data. When Ed began tracking these statistics we purchased 2 years worth of back dated racing forms from the DRF's office in Vegas. Before Ed tracked these statistics, he calculated par times through data that we also purchased from the DRF on microfiche. This time when we wanted to get the data electronically we thought about buying this from the *Daily Racing Form*. This was about the same time in 1998 when Equibase Company merged the data gathering and storage systems with the DRF.

We already had an account and established relationship with a company called ITS Data. ITS was one of the companies that resold our Layoffs & Claims books and they were one of a few to offer an electronic version of the racing form. Our programmer said their electronic version could work in our program and suggested we talk to them about buying back data. At first our contact at ITS said that Equibase was in the process of putting the last 10 years of the DRF's data into Equibase's computers, and once this was done that they would let us know what ITS Data would have available and how much it would cost. He said that since we would be placing such a large order, they would give us a break on the price. However it would be quite a few months before they would be accessible. He added that if we wanted to check back with them at a later date that this would be fine.

We were anxious to develop into the electronic stage because Ed was working day and night manually recording the data to update his stats and going electronic would get us our life back. Our programmer suggested BRIS, Bloodstock Research Information Services, which had data files that would work with our program. We weren't anxious about buying these from BRIS. We once purchased their produce records for over \$300 for a year and recently discovered they were automatically shipping the annual update and billing our credit card every year, even though we did not remember ever agreeing to this. The data files that they were offering cost \$1 apiece and we thought that if we could get these right away and for a discount since we would be placing a bulk order, that perhaps they'd reconsider. BRIS made the

decision for us because they were unwilling to budge from the list price, so we decided to wait for ITS.

During the months that we were waiting for the data files to become available, we went to Laurel racetrack and became friends with a handicapper by the name of Charlie, who also had a service that he wanted to offer on line. When we discussed our new program he told us that we would not be able to do what we wanted to do.

Ed asked, "What do you mean?"

He said that Equibase owns the electronic data and they won't allow anyone to use this to offer any service on line. Ed said, "How can they stop you?" Charlie explained that they can't stop you from printing your books and selling the data from information that you manually recorded. However, if you want to go on line with your product, you can only do so through one of Equibase's approved suppliers. He said that he just signed up with HDW (Handicapper's Data Warehouse) and that Ed and I should consider the same. Ed said, "that's crazy, you mean I can't go on line with my stats unless I go through them?" Charlie said that if Equibase finds out that you're selling horseracing data on line and you're not going through one of their companies that they'll shut you down. Both of us thought this implied a legal battle. Ed clarified that we're not publishing their data; we're compiling statistics from this information and publishing the calculations from this data so I can't see how this can be wrong. Scientists do this all the time, publishing their new analysis based on previously compiled information. This is normal.

Then Charlie said, "Right or wrong, who can suffer the cost of the battle?" meaning that even though we're not doing anything wrong by publishing our statistics on line, who can afford the cost of a lawsuit. So I asked Charlie if he knew who any of the other Equibase companies were and he mentioned BRIS and ITS Data. Then Ed mentioned that he knew ITS and that we were just talking with them about buying back data.

Charlie said to call them back in a few months because Equibase was putting all the DRF files into their computers and that they were not ready but that they soon would be. Ed explained that ITS said they would sell this to us and that since we were going to purchase a lot of files, that they would sell these to us for a discounted price. Charlie asked: "Do they know you are buying the files to sell a product on line?" Ed said he did not know if they did but he thought so because he told them he would be using their stuff in a program he had written. Charlie said they can sell you the data if you are going to use it for yourself but they cannot sell it to you if you are going to use it to sell data on line.

Ed and I did not believe this could be true so we called ITS when we returned home. ITS confirmed to us what Charlie had explained. He apologized for not telling this right away but he did not know that he could not sell it to us with the conditions we specified. We could not change any of this because ITS's livelihood was Equibase and we understood why he had to comply even though none of us would be doing anything legally wrong. The ITS representative added that he could write our program for us and we could go on line with Ed's stats if we ran our business *through them*. We let him know that we had to think about it.

Soon after we ran into Charlie again at Laurel race track and he suggested we reconsider running our business through HDW. Charlie said he is meticulous: a stickler for accuracy, and HDW was the same way. Ed is methodical in the same way ... plus, he was tired of all the daily manual work and was looking forward to being released from this grind so he could go back to what he did best, bet for us for a living. This was the main reason we wanted to go on line. Before we called HDW, Ed and I exhausted every other possibility of going on line with his stats. We even thought we could offer to buy the data directly from Equibase until they told us

it cost \$500,000 and then we could only have it for private use? That was a head shaker.

We actually waited almost one year hoping that we could find a way to run our business on line without being forced to partner with anyone, before we finally called HDW. During the year we kept hearing that Equibase would not let anyone go on line with their business, and if they did they would be shut down. In 1999 we went to Santa Anita and were with a colleague who was telling us about a letter he received from ITS; it stated that he could not use their data to sell information on line. This colleague was selling his product through TrackMaster and we did not know it at the time but it turns out he was already selling his product through Equibase. Our friend was concerned because he could not afford a legal battle and was conveying his concerns.

When we returned from this trip, as usual Ed had a mountain of work waiting for him. No one recorded Ed's stats for him while we were away and Ed continued to work day and night, plus bet for a living. We had a huge run in racing from 1996 to 1998, so big that we paid cash for our house and furnished it with high-end furniture. The time Ed had to spend keeping up with the entry of the data took away from the time he needed to analyze races so we finally gave in and agreed to talk to HDW. In June of 2000 we made an appointment with Jim Cramer.

Ed and I drove to Kentucky for the encounter. Jim Cramer echoed everything we'd been hearing for the past two years and that was that Equibase won't let you go on line unless you go through one of their suppliers. Then he laid down the rules. He said if they produce our Layoff and Claim stats, the sales would be split: HDW 35%, Equibase 30% and we would get 35%. So if we wanted to go on line we had to give away 65% of our business!

At the time we were grossing between \$40,000 and \$50,000 a year in book form. We believed the on line business would produce more sales because we'd be opening up our market. We were not happy at all with the split and having to give any of our business away to "partners" that we did not want to have. But if we wanted to go on line, there was no negotiating. They added that Equibase would not allow us to give away comps (something we did when we had our books) to people who helped promote them and that if wanted to continue to do this we would still have to pay Equibase their cut.

Ed and I believed that with the increased business from the on line market, we would generate at the least the same income that we were receiving with the books even after the splits and that coupled with the decrease in Ed's workload is why we considered going with them. Before we did, Ed had some requests: if he was not happy with this arrangement for any reason, he could leave and take his database with him, with the reason that Ed bets his stats and knows how critical it is to have current information. He asked HDW if they would update the statistics daily, since we were now more than ever going to depend on his betting success. Furthermore: we would offer his statistics on all thoroughbred racetracks in the USA and Canada, HDW would write the program at Ed's direction and would add features to this, in the context of other statistics that Ed wanted to track, such as how trainers perform in Debut races, and plus, that we wanted to offer Ed's information per track, per day, per week and per month and he wanted the monthly price set at the price Ed was known for: \$88.88 and not the \$129 that HDW was insisting. Ed also wanted be able to continue to comp certain people who were and continued to be allies in promoting Ed's stats.

HDW accepted certain things and refused others. They did agree to update Ed stats daily, that if Ed decided to discontinue the relationship that he could take his database with him, to write the program at Ed's direction and to offer his statistics on all the racetracks in the USA and Canada. They also agreed to add to Ed's statistics, including such things as the subsets that go more deeply into his applicable Layoff or Claim statistics, such as how a jockey performs with a certain trainer when that trainer is bringing a horse back from a Layoff.

However, they refused to offer Ed's customers his information by per day, per track or per

week and the lowest product they offered was for \$129 for a calendar month (which meant if you ordered his product on the 29th of any month and then continued to use it on the 1st of the following month that you were charged for a new month on the 1st) and that they would not offer any product for less than their lowest- price monthly item. We could comp anybody we wanted to comp but we had to pay Equibase their cut for these comps.

So even though HDW did not agree with more than half of Ed's requests, Ed agreed to go with them because he wanted to go on line with his information and free up his time to concentrate solely on his betting. Also convincing Ed to go along with HDW was the fact that they had agreed to update daily and if things did not work he could leave and take his database with him.

He asked Cramer to draw up the contract. Cramer replied they do not sign any contracts. They make all agreements by handshake. It was not until six years later when we tried every way to make this forced relationship work and could not that we discovered the reason for no contracts: if you do chose to leave, they do not give you back your database and HDS claims your product as theirs.

We ended the relationship in April 2006 because the most critical requests were not met. The statistics were not updated daily, and in fact, they updated them about four times a year, and then only after Ed's repeated request. When Ed wanted to add or make changes to his statistics, HDW flat out refused. No matter how much we had promoted Ed's stats, through seminars, advertising and even Ed's attendance at the DRF Expo in 2004, our monthly income from the sales of Ed's Layoffs and Claims on line never increased. We became aware that we were not being paid for all the people that signed up and even with the small return, HDW monthly checks bounced.

In 2006 we took back our Layoffs and Claims business and our first month we sold over \$10,000 worth of subscriptions that we priced at \$88.88. The most money we ever made in one month running our statistics through HDW's account was \$2,200. We immediately heard from the almighty Equibase. I have no doubt they were concerned. We were the first ones who did everything their way, gave 65% of our business to them even though we did not want to have partners because of the fear factor. Equibase has worked hard at instilling the fear factor in everyone who wants to run their own business: that they won't let you and that if you try, they will close you down. Their threats make you feel: if you do this I must be doing something wrong.

This is a tactic that monopolies use, and Equibase has been successful in keeping everybody in line. Everyone fears the lawsuit. Those who wish to do a business with racing data are not aware that if they choose to run your own operation, as long as they are not selling a product that Equibase or the DRF produces, then they are creating and producing your own analysis by extracting public information, in the same way that scientists do research based on a common heritage of information. Successful blood pressure medicines, cleaner fuels or safer can openers were not born in a vacuum and owe their existence to a broad base of previous knowledge.

Even if entrepreneurs were aware of this, the almighty empire continues to scare them by using the threats of lawsuits and this threat alone keeps individual businesses in a state of fright because even if they are right and not doing anything wrong, they cannot afford to fight a monopoly if a lawsuit goes after them. And that's how Equibase maintains their control.

Because we shook free of their grip in April in 2006, we were threaten by them in July of the same year. Those threats had material consequences. We suffered catastrophe failure in five computers and destruction of three websites, right after these threats had been brandished; we

did not realize that our computers were wide open to anyone who wanted to attack. This monopoly has thus managed to keep entrepreneurs at bay.

Even though we continued to suffer computer attacks on our business with our customer base dwindling because of this, we managed to hold on through May of 2007. It seems that they believed, by 2007, that they had squashed us like a bug and I'm sure they thrived on this example they had made out of us to keep everyone in line.

Well here we are 3 1/2 years later and going strong. We were not squashed and as a matter of fact not only did we take back our business but we are in direct competition with the almighty empire. Thus, we've reached one of our many passionate goals: to offer a direct past performance data feed to everyone who wants to take back their business, including those who have managed to "stay below the radar" and keep their business running but cannot openly buy the necessary information to produce their products.

All you need is another source for the data, which we can supply through daily downloads or through a direct feed compatible to any computer programming application available. We've priced this service for 1/10 of the price of Equibase's lowest monthly fee, \$500 a month, plus you do not have restrictions on the products you want to produce from this direct feed and you do not have to submit any business plan. Businesses can use this direct feed to track and sell pedigree information or calculate pars or trainer statistics and individuals can use this direct feed to track anything that they would like to know. We're at the point where we offer all the major racetracks and within a few short weeks we'll have every thoroughbred track offered in the USA and Canada too.

You can sign up to subscribe to the direct feed every month or you can buy it when you want. Neither Ed nor I are computer programmers so we are unable to answer any programming questions. However if you are interested in taking back your business and getting the income your product produces and not having any partners, you can go to our website edbain.com and click on the Contact Us link at the top left. Ask any programming question you may have and our programmer will answer. Even if you are an individual who tracks his or her own data and wants to have this direct feed, this is open to you as well.

This is a separate service from our Past Performances. Anyone can continue to purchase the PPs from a menu that includes the daily, weekly or monthly price. Within the next two months we will offer per track, per day and a wider variety of past performance plans. We are progressing in stages.

Because we are players as well as business owners, we now have a programming team in order to make everything easy and available to everyone. Our goal is to create competition and freedom to all entrepreneurs and players in the horseracing industry so that the industry will grow in a healthy way. This freedom will open the door to good information and good information will produce professional players. There is no reason a knowledgeable and organized investor can't make money betting on horse racing. Ed and I have always equated racing to the stock market. Because you're investing your own money, the more knowledgeable you are, the more chance you have of making this investment lucrative.

We have arrived at this first goal because we have chosen to no longer fear the threats of the almighty empire, through perseverance and not breaking down when faced with threats and obstacles. We have been nourished by our passion for racing and free enterprise. We believe anyone else who wants to take their business back can do so and the first step is eliminating the fear.

Ed Bain's Layoffs & Claims

on line

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ABOUT OUR WRITERS:



ED BAIN

Ed is often mistaken for Jack Nicholson when he wears his sunglasses especially when he is visiting his favorite racetrack Santa Anita.

Ed was introduced to racing at an early age by his Uncle Frankie Sostillio who to this day does not remember taking Ed to the track however he loves taking the credit and Ed's been attending the races ever since.

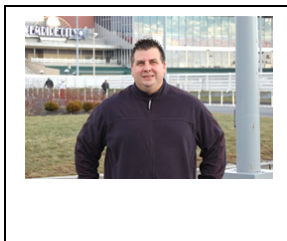
Ed is the first to admit that even though he's been betting all these years he did not make a living betting on the horses until 1994 after he tracked his own racing statistics.



MARK CRAMER

Mark Cramer, a well known and respected horse racing handicapper is the author of over 20 books, including Travel books on International travel, horse racing books and Newsletters. Mark currently authors the C & X report, a monthly Newsletter on horse racing and just recently completed a novel titled *Tropical Downs*. For details on these publications please visit Mark's website: www.altiplanopublications.com

Mark and his wife Martha reside in France where Mark has the opportunity to enjoy his second passion, bicycling.



DEAN KEPPLER

Dean Keppler is the former Director of DRF Press for *Daily Racing Form* where he orchestrated the organizing and creation of over 40 horse racing titles. He is a regular contributor to *The Horseplayer Magazine* and has authored several books including *Trainer Angles: Maximizing Profits using Formulator and Advanced Trainer Stats* and *Betting the Kentucky Derby: How to Wager and Win on America's Biggest Horse Race*. Keppler was the 2005 winner of the Freehold Raceway Thoroughbred handicapping contest, and was the proud owner of a 2006 Easter Sunday \$91,000 pick-six ticket at Santa Anita Park.



SUSAN SWEENEY BAIN

Susan met Ed Bain in 1991. Ed introduced Susan to racing on their first date where Ed won a dollar Trifecta wager for \$1,100. Ed backed this bet up with another win, an exacta for \$250 and Ed had Susan collect the winnings which he split fully with her that same day. From that point on Susan was hooked. Though she did not make her own wagers for 3 years, Susan enjoyed a first hand account of Ed's success, from the development of his 4 + 30 statistics to his progression into a full time professional player. Along with Ed's statistics Susan applies physicality and other statistical factors to her daily bets.