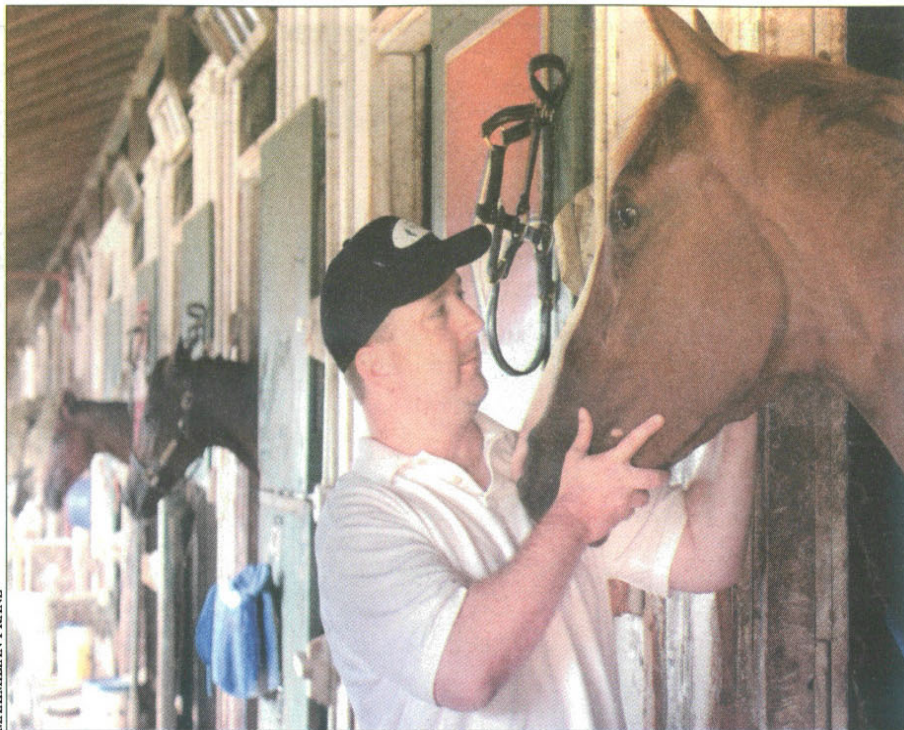


# THE DAILY RECORD



MAXIMILIAN FRANZ

Stewart Nickel has started Winners Circle Partners, an enterprise that brings people together in partnerships to own stakes in thoroughbred race horses.

## BETTING ON LOVE

*Winners Circle Partners  
puts rookie horsemen  
at the starting gate*

**BY JAMES MOSHER**  
*Daily Record Business Writer*

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tewart Nickel has a business proposition for people not interested in making money.

The 35-year-old former software entrepreneur has started an enterprise that brings people to together to own thoroughbred race horses. He founded Winners Circle Partners last year and has formed two partnerships so far. Nickel is offering an entry to the "Sport of Kings" to those making peasant salaries. An investment of \$5,000 gets

a part-owner in the saddle.

"It's really a service for people who want to get into racing not for the money," he said. "It's for people who want to do it for fun and learn more about the sport."

Each partnership has 15 members who buy an interest in a horse that runs in claiming races, low-level contests in which horses can actually be purchased, or "claimed," after the race. Nickel contributes \$5,000 of his own money to each claiming partnership.

"The claiming model is what I recommend to people starting out," said Nickel, who has been a horse

owner for 16 years. "People get immediate enjoyment from it."

Winners Circle Partners also offers stakes in yearling horses for \$10,000. Yearlings are 1-year-old horses just beginning their race training. They are a riskier investment because some never make it to the track, whereas claiming horses are already competing.

"With yearlings it's going after higher quality, but there's more to lose because the horse is an unproven quantity," Nickel said.

Nickel, as managing partner of Winners Circle Partners, makes all day-to-day decisions on the horse



MAXIMILIAN FRANZ

As managing partner of Winners Circle Partners, Stewart Nickel, middle, makes all the daily decisions on the horses. He calls upon other experts such as Assistant Trainer Hugh McMahon, left, and horse groomer Milton Cannon, right, to help care for the animals.

## Partnership

es. He consults with three well-known trainers — Scott Lake, Casey Lattimer, and David Walters — on matters such as what tracks the horse should run at, what distance race they should run and who the jockeys should be. Matters such as time off between races or whether the partnership would like to buy another horse are decided by votes of the partners, Nickel said.

### Good gamble

Like a good horse, Nickel has proven his ability in the arena. Horses owned by Nickel have won 70 races, amassing winnings of about \$1.2 million. His most famous horse was Smart 'N Noble, a two-time Maryland state champion. Nickel has owned as many as 10 horses at a time, although now he owns just two.

In 1991 he took over management of Nickel's Stable, started by his late father, running the operation with his mother, Patricia, and brother Steve. The stable participated in many aspects of racing, including claiming horses, buying and selling young thoroughbreds, and breeding. Stewart passed management to his mother in 1998 so he could focus on OTG Software Inc., a Rockville-based company he co-founded.

OTG, which got to \$70 million in annual sales, was bought out three years ago, enabling Nickel to return to his first love — racing. He fell in love with the sport as a youngster watching races in his native Timonium. He sees his future in racing.

"The further away I get from the executive world, the happier I am," said



So far the horses Stewart Nickel owns have won about 70 races and about \$1.2 million in purses. He currently owns two horses, but has owned as many as 10 at a time.

Nickel, who resides in Potomac with his wife Janine and twin daughters, Ellie and Emma. "When I left technology I decided I wanted to go back to the grassroots of something in business but also something that I love."

It will be at least four years until Winners Circle Partners becomes profitable, Nickel predicts.

"I won't be making a killing at this," he said. "There are a lot of upfront costs. It will take a while before it pays off."

Money received from the sale of OTG is being used to finance Nickel's current venture, he said. He will be able to form three more partnerships until the workload might become too much. The claiming horses in his current partnerships are performing "very well," he said.

Still, love only goes so far, Nickel says. The business will have to make a profit to last over the long haul. He also worries that Maryland's horse industry may not be able to compete with three

neighboring states that have boosted purses, or prizes for winning races, through the addition of slot machines at racetracks.

"It's really a matter of tax money and jobs being pulled from the state," he said. "No government is going to allow that to go on indefinitely."

Slot machines in Maryland are a surer bet than any horse currently running, Nickel said.

"They're inevitable," he said.