

Winners Circle Partners X Claiming Partnership



Overview:

Winners Circle Partners X will form in Q2 2012 and claim (2) quality thoroughbreds in the Mid-Atlantic, with a primary focus on Maryland (Laurel and Pimlico), Pennsylvania (Parx and Penn National) and Delaware Park. (20) units will be allocated at \$5,000/unit, resulting in total funds of \$100,000. Of this amount, \$20,000 will be reserved for expenses and \$80,000 will be available for claiming horses. The Managing Partner will purchase (1) unit and the remaining (19) units will be made available to prospective Partners.

Expenses:

\$20,000 is allocated to the expense reserve and will cover 2-3 months of expenses for (2) horses in the event purse winnings do not cover expenses.

Expenses include (monthly estimates per horse):

Trainer	\$2,000-\$2,500	(varies based on trainer and location)
Vet	\$300-500	
Blacksmith	\$100	
Vanning	\$0-\$500	(varies based on location)
Total =	\$2,400 - \$3,600	

The Managing Partner processes all monthly expenses and Partners will not receive monthly bills. However, additional capital will be required to increase the expense reserve if existing funds are not sufficient to cover expenses (amount based on individual ownership percentages).

Process:

1. Operating Agreement and associated documents distributed to Partners.
2. Partners execute Agreements and return to Managing Partner with capital.
3. Winners Circle Partners X LLC registered in MD.
4. Partners obtain required Owners Licenses (if required).
5. Horses claimed and the action begins!

Note: *Thoroughbred racing involves a high degree of risk and entering a Partnership should be done for entertainment purposes and not as an investment.*

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Winners Circle Partners Team



Stewart Nickel
Managing Partner



Dove Houghton
Trainer



Hugh McMahon
Trainer



Michael Rogers
Trainer

Stewart Nickel

Winners Circle Partners is managed by Stewart Nickel, a horseman with 21 years experience owning, breeding and racing thoroughbreds. Stewart has amassed over 175 wins and \$3.6 million in purses during his career as an owner. After co-founding and building a publicly-traded technology business over 11 years, Stewart exited the technology industry and has been focusing on thoroughbred racing since 2002. Wanting to combine his passion for thoroughbreds, enjoyment of working with people and business experience, Stewart founded Winners Circle Partners and formed the initial Partnership in 2004.

Dove Houghton (Base Track – Maryland)

Dove began training full-time in 2005 and maintains a successful and consistent stable of both horses purchased at sale as well as horses claimed on the track. Dove was an assistant trainer to Tony Dutrow for (5) years and prior to this spent a number of years on the backside as an exercise rider.

Hugh McMahon (Base Tracks – Maryland, Penn National, Delaware)

Hugh began training in 2009 after serving as an assistant trainer to Scott Lake for over (5) years. Prior to training, Hugh was a jockey on the European circuit as well as in NY and other Mid-Atlantic tracks. His extensive knowledge and hands-on approach have provided immediate results in his training career.

Mike Rogers (Base Tracks – Penn National, Presque Isle Downs)

Mike is a respected horseman who has been a fixture in the Mid-Atlantic for over (20) years. Mike has won meets at several regional tracks and hits at a high percentage on a consistent basis. Both Mike and his assistant trainer (and wife) Trish were both jockeys in the Mid-Atlantic before training horses.

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Winners Circle Partners' Commitment:

1. Honest and no-nonsense approach to racing. Partners should get involved for the right reasons and will not receive grandiose promises, sensationalized details or anything other than the facts.
2. Strong and consistent communication, enabling Partners to keep up-to-date without affecting personal or business schedules.
3. Always available to answer any questions and help Partners learn all aspects of thoroughbred racing, whether it is related to a Partnership horse or thoroughbreds in general.
4. Assist in any way possible to make the thoroughbred ownership experience fun and memorable for Partners and their families.

Partnership Benefits:

1. Pooling capital from multiple Partners increases overall purchasing power while substantially reducing individual cost and risk.
2. Managing Partner handles all day-to-day operations, allowing Partners to focus on having fun and being part of this action.
3. Partners choose level of involvement and can simply sit back and enjoy themselves or work with the Managing Partner to learn more about horses and/or racing.
4. Visit the paddock prior to races and when things go right, the Winners Circle following the race.
5. Opportunity to interact with thoroughbreds and learn about all aspects of horses and racing. Fun for individuals and families. Racing is only part of the excitement and Partners are encouraged to visit the horses and be part of the behind-the-scenes training and action available to owners.
6. Meeting others involved in the game...simply some of the most easy going and friendly people you will ever meet.
7. Pride and pure excitement of watching your horse compete and being part of thoroughbred racing.

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Q & A with Stewart Nickel:

Question: *Do you purchase a unit in each Partnership or is an ownership percentage provided as compensation?*

Answer: I purchase a unit in each Partnership because I enjoy the same benefits as other Partners and think it is only fair that I also have the same financial stake in the Partnership. I disagree with most partnership models that provide a percentage as compensation and certainly disagree with models that hide this through wordsmithing in their collateral or agreements.

Question: *Have previous Partnerships been successful?*

Answer: In 7 1/2 years (as of February 2012) our horses have won 101 races, \$2.3 Million in purses and hit at a 23% win percentage and 56% ITM. When gauging success in racing it is important to focus on enjoyment as well as trips to the Winners Circle and purses. It is also very important for owners to set practical expectations....the primary goal being entertainment with a potential financial upside.

Question: *Is Winners Circle Partners a registered business?*

Answer: Yes. Winners Circle Partners is a registered LLC in the State of Maryland and each Partnership is registered as a separate LLC.

Question: *What are the benefits of a Claiming Partnership vs. a Yearling Partnership?*

Answer: Claiming horses provides a quick entry into racing with horses typically running 2-3 weeks after being purchased. Unlike a yearling purchase, this process also provides an opportunity to gauge a horse's ability and potential upside based on its racing record and various other variables examined prior to a claim. Please visit the website for more details on this topic.

Question: *How do you select horses to claim?*

Answer: An extensive amount of research is performed before selecting any thoroughbred. Research includes reviewing past racing performances, examining bloodlines (breeding), visual review during workouts or races and gathering any other information that can help make the right decision. I work with a trainer and complete this process prior to making the final decision.

Question: *What input do Partners have in decisions made on behalf of the Partnership?*

Answer: Input is welcome and encouraged from Partners and the goal is to keep the lines of communication open at all times. I reserve the right to make final decisions on all racing matters but work with Partners during the process. Capital distributions, sale of a horse and other topics not directly related to daily racing operations are decided based on majority vote of the Partners.

Question: *What compensation do you receive as Managing Partner?*

Answer: Compensation is 10% of winnings for my role as Managing Partner. A \$35/unit monthly management fee is also included to cover operational expenses.

Please visit www.WinnersCirclePartners.com for more information.

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