

PADUA STABLES'S SATISH SANAN

Over the past 16 years, Padua Stables's Satish Sanan has gone from neophyte owner to one of the sport's leading statesmen. Sanan's story is well known. A native of India who emigrated to Great Britain when he



EquiSport photo

was 16, Sanan became a serious student of the game as a handicapper. Later, his far-reaching success in business, first in computers and then in the health care industry, gave him the resources to match his ambition. In 1996, Sanan made the jump into ownership. With trainer D. Wayne Lukas on board, he spent lavishly at public sales, dropping millions on blue-blooded stock with the goal of "winning Classic races

around the world."

Success came quickly. One of his first purchases, the \$1.2 million yearling Cash Run (Seeking the Gold), won the 1998 GI Breeders' Cup Juvenile Fillies. She was followed by the Grade I winners Yes It's True and Proud Accolade and the Grade II winner Exchange Rate. In 2002, Padua was represented by a confirmed superstar in Vindication (Seattle Slew), a \$2.15 million yearling who was undefeated when he won the GI Breeders' Cup Juvenile and later named champion 2-year-old male.

Padua soon became a family operation, with Sanan's wife Anne, his daughter Nadia and son Sasha all playing major rolls in its development. (Another daughter, Chemain, helps oversee Sanan's business interests outside the Thoroughbred industry.)

Padua's influence wasn't just felt on the racetrack. In Florida, Padua opened a sprawling breeding, training and stallion facility, where it stood, among others, Exchange Rate, Delaware Township and Proud Accolade. The latter was proving a useful sire before his untimely death, while Exchange Rate's fast start at stud prompted a move to Three Chimneys in Kentucky.

But Padua's success wasn't always in line with its tremendous outlay, and over time, Sanan altered the business plan. In 2007, he announced Padua was dispersing or relocating its Florida-based stallions and breeding stock, and Sanan purchased the former Bluegrass Heights Farm in Lexington. At the sales, Padua rarely went after the seven-figure prospects, and the number of horses it put into training each year dropped dramatically.

Padua had previously gone it alone with its racing prospects, but that changed, too. In 2007, Padua joined with Jess Jackson's Stonestreet Stable to purchase a majority interest in an eye-catching maiden winner name Curlin (Smart Strike). The big chestnut went on to win the GI Preakness and GI Breeders' Cup Classic and was named Horse of the Year. That year, Padua also co-owned Any Given Saturday (Distorted Humor), who defeated Curlin in the GI Haskell.

Sanan has also spent much of his time working on the myriad problems the industry faces. Roughly eight years ago, he spearheaded the Alliance for Industry Reform, a group that helped pushed through transparency reforms at auctions. Today, Sanan sits on the board of directors of both the Breeders' Cup and National Thoroughbred Racing Association (NTRA).

The *TDN's* Lucas Marquardt recently caught up with Sanan and asked about his ups and downs in the industry, his relationship with the late Jess Jackson, and what changes he'd like to see the industry embrace.

On May 31, Padua Stables in Ocala, Florida is being auctioned. Why did you decide to relocate to Kentucky, and what was behind the decision to put the Ocala property on the auction block?

"Over the years, Padua has evolved into a breed-to-race operation, rather than buying horses, and we decided the best thing for us was to transition to Kentucky. We were shipping mares from Florida to Kentucky and back again every year, and financially, it didn't make sense anymore. It's a shame, because we put our heart and soul and a lot of capital into the farm in Florida. We invested close to \$30 million on the farm, and it's a state-of-the-art facility. Everything that we saw when we traveled around the U.S. and to Europe, everything went into the farm, and it is the best of the best. But there comes a point where you need to move on. We purchased the former Bluegrass Heights farm in Kentucky, and over the past four years have developed it. So the only we've been doing in Florida is breaking horses, and to carry that big an operation, with the number of people and costs, didn't make sense for us financially."

At your peak, how many 2-year-olds did Padua put into training each year?

"At our peak, we used to have 50 or 60 2-year-olds out there every year. Not any more. The last few years, we've been putting 15 to 20 into training. It's still a lot by the time you have 3- and 4-year-olds and so on. Right now I think we have 15 to 20 currently in training, with another 15 [juveniles] or so coming into the fold."

How many mares do you currently have at Padua's Lexington farm?

"We have about 30 to 40 mares. Every year we retire a few of the good ones, and sell some, either through claiming races or at the sales."

Q&A cont.

Padua really developed into a family operation. Has that been particularly rewarding?

"That's how it evolved, and it's both a challenge and a pleasure when your kids work for you. The balance is tough, but they're very passionate about the business, which is good. My son Sasha worked with Taylor Made, Todd Pletcher and Steve [Asmussen], and now he's managing the farm in Kentucky. He basically runs Padua Stables now."

You've been involved as an owner for over 15 years now. What's been the highlight of your involvement?

"From a pure racing point-of-view, from a satisfaction and achievement point of view, it was Vindication. As you know, the year before we had parted company with Wayne [Lukas], and probably by that time had invested close to \$100 million in the business. We had a lot of success--Cash Run won the Breeders' Cup, and we had Exchange Rate, Yes It's True, Dance Master. We won a heckuva lot of races, but Vindication was very special. Nadia was involved and our team was involved in picking him out. Unfortunately he was injured, but he was an undefeated champion."

"I would say that the best *year* of racing we had was the year I owned a part of Curlin and a big piece Any Given Saturday, also. We won the GI Preakness S. with Curlin and the GI Haskell with Any Given Saturday, who beat Curlin. Then we won the [Breeders' Cup] Classic and Horse of the Year. Then Darley bought Any Given Saturday and Jess Jackson bought us out on Curlin. So financially, and from a racing point of view, to win those races with those purses, that was perhaps the most enjoying and satisfying year racing."

Back in 2004, you began the Alliance for Industry Reform, which led to changes in the auction process to protect buyers against things like dual agency. Are you happy with the reforms that were made?

"Not really. Once AIR picked up momentum, not only the good guys, but some of the bad guys ended up joining. The whole initiative was taken over by TOBA, and we've seen some changes, but not a lot of changes. I think the only really positive thing we've seen is a lot of the dual agency practices are gone, but I think a lot of the unethical practices that were going on are still continuing. Not as openly as they used to, and not as abusive, but they're still going on. Am I satisfied, no? I'm a glad I did it? Yes. But I think we have a long way to go."

The issue of Lasix has been in the headlines lately. What's your position?

"I've studied it inside and out, and I've spent a lot of time with some of the best European and American trainers, guys like Dermot Weld and Michael Stoute in Europe, and Bob Baffert, Wayne Lukas, Todd Pletcher and Steve Asmussen in the States. When the medication issue was raised about a year ago, I spent a lot of time talking to Todd Pletcher and Steve Asmussen in particular. My personal view is that I don't think [Lasix] is good for the horses or good for the breed."

I don't think we need raceday medication. But I think people get confused on the issue of Lasix and general medication. I think we need to learn to manage it. I'm against raceday medication, but that doesn't mean I'm against medication, and against Lasix. European trainers use Lasix when they train, and I think that's what we need to do. The problem with *raceday* Lasix is that it masks other medications. To a degree, I think we need to do what the rest of the world does. It's not that they don't use [Lasix]--I think there's a perception they don't. They use it, but they manage it and use as part of a racing program."

You and the late Jess Jackson partnered with Curlin during his 3-year-old year before Jackson bought you out after Curlin's Breeders' Cup Classic win. What happened?

"We had a lot of success, but toward the end, there was some tension in terms of the partnership, and I just decided that if I wasn't enjoying that part of it, we needed to get out. So I asked Jess to buy us out. But Barbara [Banke, Jackson's widow] and I are good friends, and Jess put a lot of capital into the business and was very passionate about the business."

In some ways, you and he seemed to be cut from the same cloth.

"He wanted to see the same things I wanted to see--stopping the unethical behavior and things like that. His philosophy was to approach things from a legal perspective. He sued a lot of people, and that's something I don't do. I don't believe in litigation. I'd rather sit across the table and try to solve the problems that way. But those were the differences, and we agreed on more things than we disagreed on. I think Jess will be remember forever for what he did for the industry. His contributions in terms of the time and money he spent, but also the impact he had on the industry in general."

The old question: if you were named Czar of Horse Racing, what do you do to improve the sport?

"We have three or four strategic issues facing the sport. We have a business model issue, a medication issue, and a marketing issue, in terms of how we present our sport. Candidly, we're not united, and until we're united, I don't think we'll be an industry able that can address these issues. The most important thing that we need to do is make sure we have an integrated organization of all the stakeholders."

Who are the stakeholders?

"There are three groups. The stakeholders are the owners; they are horseplayers who put \$12 billion into the business; and they are racetrack operators. Because they are the only three constituents who put money into the business. Ultimately, there needs to be a way for us to work together and fix the business model."

Q&A cont.

If we fix the business model, which today is based on the 1979 Interstate Horse Racing Act, you can get money coming back in, and you can then afford to put more capital back into the infrastructure and back into purses. And then you can address all the other issues. You can set aside a small amount for jockeys' welfare issues, you can take a fraction of the percentage and take care of horse retirement issues we deal with, you can even tackle medication issues with increased funding for testing and research."

You've been very active in industry organizations and working for change. Why?

"I came into the business somewhat naive. I thought I knew everything about the business, because I was successful in other businesses. Having put in well in excess of \$100 million into the business, we learned the hard way. But I think we know the business now. I spend a lot of time on industry issues because our industry faces a lot of challenges. And I want to make sure I'm part of whatever change happens."