



## DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 149

### 1. INTRODUCTION

2. **Fortuna Limited** was founded by **John Galvin** in 2007 with a vision of providing a high quality thoroughbred syndication, administration and racing management service to its clients. **Fortuna**, a New Zealand Thoroughbred Racing Authorised Syndicator, races horses in New Zealand, Australia, Singapore and Great Britain with **Mark Walker/Sam Bergersen** being its principal NZ based Trainers, **Mark Walker** its Australian based Trainer and **Donna Logan** its Singapore based Trainer. **Kevin Myers** also trains some NZ based horses for Fortuna and **Harry Eustace** trains its Great Britain based horses.

**Fortuna** is very client focused and it aims to be the very best it can on behalf of its clients with all aspects of Thoroughbred Syndication Management. Hence its motto:

*"Selected, Trained, Ridden and Managed – By Professionals"*

### 3. Directory

Name of Promoter:	<b>Fortuna Limited</b>
Address of Promoter:	<b>5 Johnnybro Place, Rototuna North, Hamilton 3210</b>
Manager and Director:	<b>John Eric Galvin</b>
Bankers:	<b>Westpac Banking Corporation</b>
Accountants:	<b>One Base Accounting - Hamilton</b>
Solicitors/Legal Advisors:	<b>Harkness Henry – Hamilton</b>

### 4. Business Plan

- This Syndicate will race just one horse, that being the Yearling FILLY by HELLBENT out of BESIDE YOU – no racing name yet, but has been assigned stable name "Linda".
- The objectives of the Syndicate are to educate, train and race the Syndicate racehorse with the primary aim to win prize money for the Syndicate Members and to share in the fun and camaraderie associated with owning and racing a racehorse that is in shared ownership.
- "Linda" was acquired at the Magic Millions National Yearling Sale on 4<sup>th</sup> June 2024 – she will be transported to NZ and on arrival she will travel to Te Akau Stud for a two week paddock spell before being broken in. Once broken in she will be transferred to the care of Fortuna's NZ Trainers, Mark Walker/Sam Bergerson, of Te Akau Racing Stables based at Matamata, where she will commence her first stable preparation
- She will have a further paddock spell at the end of that preparation – the length of that spell will depend on her physical progress and development. Based on her pedigree, physical type and confirmation, her best distances are likely to be in the 1000 metre to 1600 metre range
- A strong, well grown filly, "Linda" presents as a type who is a strong chance to race as a Two Year Old, but will certainly develop into a robust Three Year Old – she is also registered for the Magic Millions Race Series and eligible to race (subject to qualification) in the Magic Millions 2yo Classic (1200m) run at the Gold Coast in January 2025 for prizemoney of A\$3,000,000 and the Magic Millions 3yo Guineas (1400m) run at the Gold Coast in January 2026 for prizemoney of A\$3,000,000, as well as several other races that form part of the MM Race Series
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## 5. Bloodstock

- |                         |  |
|-------------------------|--|
| (a) Name                | <b>No Racing name yet, but nicknamed "Linda"</b> |
| (b) Breeding (Sire/Dam) | <b>HELLBENT – BESIDE YOU</b>                     |
| (c) Sex                 | <b>Filly</b>                                     |
| (d) Foaling Year        | <b>2022 (DOB 03/11/2022)</b>                     |
| (e) Microchip number    | <b>985100012220911</b>                           |
| (f) Brand Marks         | <b>NP - 17/2</b>                                 |

## 6. Initial Costs and Expenses

- |                                      |   |
|--------------------------------------|---|
| (a) Purchase of Bloodstock           |   |
| (i) Purchase Date                    | <b>4<sup>TH</sup> JUNE 2024</b>               |
| (ii) Public Auction                  | <b>MAGIC MILLIONS</b>                         |
| (iii) Purchase Price                 | <b>A\$57,500 Plus GST (NZ\$62,000 approx)</b> |
| (iv)                                 |   |
| (b) Breakdown of other Initial Costs |   |
| Promoter Fee                         | <b>\$ 10,000 plus GST</b>                     |
| Marketing Fee                        | <b>\$ 7,500 plus GST</b>                      |
| Sales/Research Fee                   | <b>\$ 3,000 plus GST</b>                      |
| Magic Millions Series Fee.           | <b>\$ 7,000 no GST</b>                        |
| Airfreight                           | <b>\$ 6,500 no GST</b>                        |
| Vet Reports                          | <b>\$ 800 no GST</b>                          |
| Insurance                            | <b>\$ 1,600 plus GST</b>                      |
| Working Capital                      | <b>\$ 7,205 no GST</b>                        |
| Other (specify)                      | <b>Nil</b>                                    |

**Note that a Full breakdown of Initial Costs is provided in Schedule One (Page 10).**

Number of shares	<b>20</b>
Cost per share	<b>NZ\$6,000</b>

**Please note that at Manager's discretion, shares can be issued in smaller parcels than 5%**

## 5. On-going Costs and Expenses (All costs are inclusive of GST if any)

- Pre-Training, Training, Nominations and Acceptances, Transportation, Covers, Vet Care, Farrier, Management Fees, - Annual Estimated costs of **52,000 inclusive of GST if any.**
- Members will be required to meet all ongoing costs associated with educating, training, spelling, racing, transportation, animal health,
- insuring the bloodstock and administration costs of the Syndicate. The Manager requires the Members to make financial contributions to the Syndicate bank account to meet the Syndicate's actual or prospective obligations. Under normal circumstances the regular monthly payments made by Members (**i.e. \$220 per month per 5% share**) to the Syndicate, will cover all expenses associated with racing the horse. However in the event they do not, the Manager will issue a capital call on a pro rata basis to all Members to cover any additional costs
- Regular monthly payments
  - \$250 per 5% share**
  - 1<sup>st</sup> of each month commencing 1<sup>st</sup> August 2024**
  - 03-1557-0246029-027 Westpac Bank, Hamilton.**

*Note: On written request, supporting invoices or other evidence for costs invoiced will be provided by the Promoter or any person associated with this syndicate*

## 6. Minimum Amount

Fortuna Ltd as Promoter is fully underwriting this acquisition, so no Minimum Amount is required for the Syndicate to proceed. *Note: Subscriptions are held in trust. This means that pending allotment of shares; no subscriptions will be disbursed from the syndicate bank account.*

## 7. Insurance Information

a. Insurer	<b>New Zealand Bloodstock Insurance</b>
b. Term	<b>4th June 2024 to 31<sup>st</sup> January 2025</b>
c. Value	<b>\$70,000 incl GST if any</b>
d. Type of policy	<b>Death Only</b>

## 8. Veterinary Report(s)

**Dr Douglas Black - Dated 4<sup>th</sup> June 2024**

The veterinary report(s) is not attached. Copies of the veterinary report(s) may be obtained from the Promoter by request at its mailing address or its email address [john@fortuna-nz.com](mailto:john@fortuna-nz.com) or by requesting a copy from NZ Thoroughbred Racing ([syndication@nzracing.co.nz](mailto:syndication@nzracing.co.nz)).

## 9. Material interests and Commissions

### (a) Disclosures of any material or pecuniary interests

[Note: Any material or pecuniary interest that the Promoter or Manager or a person associated with the Promoter or Manager has in this Bloodstock Syndicate or its Bloodstock must be disclosed in this Disclosure Statement. If any bloodstock offered has been sold by the Promoter, or by Associated Persons of the Promoter, within 12 months prior to the Offer, the purchaser, price paid and date of each transaction within that period shall be shown.

### (b) Confirmation of Disclosure of Commissions etc.

The nature of all commissions, fees or rebates and other benefits that have been or may be received in the future by the Promoter or the Manager (or an Associated Person of the Promoter or Manager), specifically in relation to the Bloodstock Syndicate or any of its Bloodstock have been disclosed in sections 4 and 5 of the Disclosure Statement. Any such commissions, fees, rebates or other benefits that may be received in the future will be disclosed to the Participants in writing at the material time.

**- The Promoter or Manager has received no commission, fees or rebates other than those disclosed in this Disclosure Statement**

## 10. Standard Industry Risks

### (a) Racing

- (i) Not all yearlings/prospective racehorses proceed to become racehorses.
- (ii) There is a significant possibility that any racehorse could injure itself and thereby need a long recuperation period or be unable to race again.
- (iii) Racehorses are unlikely to have any significant value at the end of their racing career with the exception of well-bred and/or highly performed horses, suitable to become breeding stock.

### (b) Special Risks or factors attaching to this Offer.

**There are no Special Risks or Factors pertaining to this offer**

## **11. Governing Documents**

- The Syndicate Agreement which governs the Syndicate is attached

## ADDITIONAL INFORMATION

Applicants should note that the Terms below provide an overview of Key Points relating to the Management of the Syndicate. There is a detailed Syndicate Agreement, which is provided to you as a separate document, and will need to be perused and signed by Applicants before subscription will be accepted.

- Prize money earned will be allocated to Members on a pro rata basis once received. On occasions, some or all of prize money earned may be retained in the Syndicate Bank account to bolster working capital requirements.
- All payments of income or capital to or for the benefit of Members will be made at the same time to all Members and in the same proportion as the Shares held by individual Members of the Syndicate
- Trophies will be allocated to Members at Manager's discretion but are usually balloted.
- Unless the horse is already named, Members will have the opportunity to submit a name for consideration.
- Members will receive regular and timely written updates on all aspects of their horse's preparation and racing programme.
- The Syndicate horse will race in the Fortuna Syndication Colours (see example below)
- **If a Member wishes to sell their share in the Syndicate, there is a defined procedure for how this will be handled; this procedure is outlined in Clause 8 of the Syndicate Agreement.**
- If an offer is received to buy the horse from the Syndicate, the Manager will consider the terms of that offer, then make a recommendation to the Members as to those terms and invite Members to provide their feedback on the recommendation with the majority view to prevail.
- Syndicate Members may from time to time, in accordance with clause 14 of the Syndicate Agreement, appoint, remove and replace the Syndicate Manager, provided that the Members give the Manager six months prior written notice of the proposed removal unless the Manager has breached any of the Manager's obligations in this Agreement, and the breach is incapable of being remedied, or has not been remedied by the Manager within 30 days of receiving written notice of such breach.

### Fortuna NZ/Aus Racing Silks



### **Manager's Powers and Functions**

The functions of the Manager are to race and manage the Bloodstock in a manner that is consistent with the best interests of the Members, and the Bloodstock. This includes, but is not limited to, the sole right, in the Manager's discretion, to make decisions without any obligation to consult with the Members, on matters which relate to the racing and management of the Bloodstock such as (but not exclusively so):

- a. the choice of racing programme;
- b. training methods and veterinary treatment
- c. the choice of jockey;
- d. the choice of trainer;
- e. if the Bloodstock is to be raced outside New Zealand
- f. stud management and breeding policy (including if colts are to be gelded)
- g. agistment,

provided those decisions are in the best interests of the Members.

**In practice, Members are usually consulted with and advised on the points above.**

The Manager is also empowered to execute Ownership and Registration documents on behalf of the Syndicate and its Members with New Zealand Thoroughbred Racing and any other Racing Jurisdictions in which the Syndicate bloodstock may race.

### **Complaints or Disputes**

If a Member has a problem, concern, or complaint about any part of the service offered by the Manager, please tell us so that we can try to fix the problem.

We will try in the first instance to resolve any complaint or dispute internally. We conduct an internal complaints handling process administered by John Galvin. You may contact John by writing to him at;

**5 Johnnybro Place, Rototuna North Hamilton 3210, email [john@fortuna-nz.com](mailto:john@fortuna-nz.com) or telephone 021 921 460.**

The Syndicate Agreement has a Disputes Resolution Clause (Clause 22) and this Clause governs the process for any Disputes Process and Resolution.

## Initial Costs and Fees

In addition to the capital cost of the bloodstock, Syndicate members will bear the following initial Costs and Fees:

- **Promoter's fee.** This fee will be 10% of the purchase price of the syndicate bloodstock with a minimum of **\$10,000 + GST** - the fee for this Syndicate is **\$10,000 plus GST**
- **Marketing Contribution Fee.** It is in Members' interest that the Syndicate be filled in a timely fashion as no disbursement can be made, under the NZTR Code of Practice, until the total Syndicate capital is collected. Therefore, a marketing contribution of **\$7,500** is collected as part of this Syndicate's Capital.
- **Sales/Research Fee.** Covers the cost of any travel/accommodation/research and inspections by Team Fortuna and any fees by its agents/representatives. **Fee is NZ \$3,000 for this syndicate**
- **Magic Millions Series Fee** – this is the registration Fee for all Magic Millions Series Races for the racing career of the Bloodstock – **Fee is A\$6,600**
- **Transport** – Estimated Airfreight cost to NZ is **NZ\$6,500**
- **Veterinary Fee.** This fee relates to the Veterinary inspections and reports provided by our Veterinary Surgeon as we undertake due diligence. This fee is **NZ\$800 plus GST approx**
- **Bloodstock Insurance.** The cost of this is **3.8%** plus GST of the value of the Bloodstock and is paid annually (to 31 Jan of the following year) in advance
- **Working Capital.** Usually, the Syndicate will collect an amount of capital from Members to cover working expenses associated with the Bloodstock until such time as Member's ongoing fees commence and any capital remains the property of the Syndicate and its Members. Working Capital for this syndicate is **NZ\$7,000 approx**

## Ongoing Costs and Fees

- **All costs associated with the preparation, training, racing and Administration of the Syndicate Bloodstock.** While the annual total of ongoing fees will vary to some degree depending on the path that each individual horse may take, a good indicative figure is approximately **\$52,000 per annum** inclusive of GST if any
- **Fortuna Ltd Administration fee.** This fee is **\$380 plus GST per month** and is included in the expense estimate above.

To cover these costs, each Syndicate member contributes a pre-determined set monthly amount to the Syndicate bank account by Automatic Payment. Quarterly statements will show the state of each member's current account within the Syndicate. The monthly amount is currently **\$500 per month for a 10% share, \$250 per month per month for a 5% share, \$125 per month for a 2.5% share and \$50 per month for a 1% share. These figures are GST inclusive.** Under normal circumstances the regular monthly payments made by Members (i.e \$250 per month per 5% share) to the Syndicate, will cover all expenses associated with racing the horse. **However in the event they do not, the Manager will issue a capital call on a pro rata basis to all Members to cover any additional costs. (see clause 9.1 of the Syndicate Agreement)**

## Stakes Fee

In the event that the bloodstock wins stakes money in events that are described as "Listed" or "Group" or "Cups" events in New Zealand or in any race in any International Racing Jurisdiction, the Manager shall be entitled to receive **5% plus GST (if any)** of the stakes money received. (see clause 19.9) of the Syndicate Agreement

## Sale of Bloodstock Fee

In the event that the Bloodstock (or part thereof) is sold at a future date the Manager will be entitled to a fee representing **10% plus GST (if any)** of the sale price. (see clause 19.11 of the Syndicate Agreement)

Note that in the event of the bloodstock being sold the Manager, with the approval of the Syndicate Management Committee, may approve a "success fee" payment to Te Akau Racing Stables of up to 5% of the gross sales price

## SCHEDULE ONE – SUMMARY OF INITIAL COSTS

Hellbent - Beside You Filly	#149	Syndicate	
	Amount	GST	Total
Horse Purchase Price	62000	9300	71300
Promoter Fee	10700	1605	12305
Marketing Fee	7500	1125	8625
Sales/Research Fee	3000	450	3450
Magic Millions Series Fee	7000		7000
Veterinary fee	800		800
Insurance to 31 Jan 2025	1600	240	1840
Airfreight to NZ	6500	975	7475
Working Capital	7205	0	7205
<b>Grand Total</b>	<b>106305</b>	<b>13695</b>	<b>120000</b>
<b>Share 10%</b>			<b>12000</b>
<b>Share 5%</b>			<b>6000</b>
<b>Share 2.5%</b>			<b>3000</b>
<b>Share 1%</b>			<b>1200</b>

**20 shares (each share 5%) @ \$6,000. (Note that the Manager has the discretion to issue shares in parcels larger or smaller than 5%)**

**Ongoing monthly contributions \$250 pm (per 5% share) commencing 1<sup>st</sup> August 2024**

**Finalised by John Galvin on 6<sup>th</sup> June 2024**

## PEDIGREE

### **BAY OR BROWN FILLY (AUS)**

Foaled 3rd November 2022

Sire	I Am Invincible	Invincible Spirit .....	<b>Green Desert</b>
<b>HELLBENT (AUS)</b>		Cannarelle.....	Canny Lad
2012	Volkspray	Volksraad.....	<b>Green Desert</b>
		Spraypaint.....	Crested Wave
Dam	Ready's Image	More Than Ready.....	Southern Halo
<b>BESIDE YOU (AUS)</b>		Clever Phrase.....	Clever Trick
2013	Ikhlas	Lahib.....	Riverman
		Rawaabe.....	Nureyev

**HELLBENT (AUS)** (Bay 2012-Stud 2018). 7 wins-1 at 2. **MVRC William Reid S., Gr.1**. Sire of 210 mrs. 116 wms, inc. **SW Magic Time (MRC Sir Rupert Clarke S., Gr.1)**, **Benedetta, Kristilli, Hell Hath No Fury, Fully Lit, SP Divine Glory, Hell Queen, Vivy Air, Miss Hellfire, Warby, Hell I Am, Grinzing Love, Awestruck, Bohemian Daisy and of Aemelius, Fire Lane, Blue Spinel, He'll Rip, Hell Hound, Helliuva Barty, Angel Down, Boston Rocks, etc.**

#### **1st dam**

**BESIDE YOU**, by Ready's Image. 3 wins-2 at 2-to 1100m, ATC C McAlpine Tribute Highway H. This is her third living foal. Her second foal is a 2YO. Dam of one foal to race.

#### **2nd dam**

**IKHLAS**, by Lahib. Unraced. Sister to **LA-FAAH**, half-sister to **Afaan, Asaal, Unshooda**. Dam of 6 foals, 5 to race, 4 winners, inc:-

**Beside You**. 3 wins. See above.

**Supreme Taiji**. 2 wins at 1000m, HKJC Pitt H., Gillies H., 2d HKJC Hong Kong Challenge Cup, Foshan H., 3d HKJC Tung Wah Group of Hospitals Challenge Cup, Riding for the Disabled Cup, Chak on H., Equidia Racing Channel H., Link H., Breguet H., Vatti H.

**Mookhlesa**. Winner at 2, Newmarket Wyck Hall Stud 2YO Fillies' S. Dam of-

**Universal Gleam**. 6 wins from 1m to 1¼m, Lingfield Betway Heed Your Hunch H., 3d Lingfield Betway H.

**Fools and Kings**. 2 wins at 9½f, 1¼m, 2d York Unibet H.

**Traditionelle**. Winner at 5f in GB. Dam of-

**VINTAGE BRUT** (Dick Turpin) 4 wins-3 at 2-to 1200m in GB and Kuwait, York Rockingham S., **L**, Sandown National S., **L**, 2d Ayr Harry Rosebery S., **L**, 4th Goodwood Molecomb S., **Gr.3**.

**Karma Force**. 5 wins to 1050m, 2d BRC Cellarbrations P., 3d BRC Blackwoods H.

#### **3rd dam**

**RAWAABE**, by Nureyev. 2 wins-1 at 2-at 5f in GB. Half-sister to **DOULAB, LOCH BERING**, Song of Syria (dam of **CHILUKKI**), Jane Arnold (dam of **CRYSTAL SEA MIDWATCH**), Morning Snaps (dam of **MORNING PUNCH**). Dam of 8 foals, 7 to race, all winners, inc:-

**LA-FAAH** (Lahib) 3 wins at 2, Newbury Horris Hill S., **Gr.3**, Ascot Hyperion 2YO S., Granville 2YO S., 2d Newbury Greenham S., **Gr.3**, 3d Aqueduct Fort Marcy H., **Gr.3**, 4th Longchamp Poule d'Essai des Poulains, **Gr.1**, Newbury Dubai Duty Free Cup, **L**.

**Afaan** (Cadeaux Genereux) 8 wins to 6f, £76,204, Newbury Cantorindex.com H., Newmarket Chemist Brokers H., 2d Goodwood King George S., **Gr.3**, Newbury Stan James Online H., 3d Doncaster Randoombet.com H.

**Asaal** (Machiavellian) 5 wins-2 at 2-at 1200m, 1600m in GB and U.A.E. Nad al Sheba Mahab al Shimaal Prep H., Central Trading Co H., Dubai Racing Club H., 2d Nad al Sheba Mahab al Shimaal S., **L**, 3d Nad al Sheba Deira H. Sire.

**Unshooda** (Machiavellian) Winner at 2, 2d Ayr Firth of Clyde S., **L**, York Convivial 2YO S. Producer.

**Dahshah**. Winner at 1m in GB. Dam of-

**Eastern Gift** (Cadeaux Genereux) 5 wins-1 at 2-from 7f to 8½f, 2d Goodwood Stardom S., **L**, Tatler Summer Season 2YO S., Newbury Terence O'Rourke 2YO S., 3d Epsom Tompkins & May Partnership Void Management H., Deauville Prix de Thaan.

#### **4th dam**

**PASSERINE**, by Dr Fager. 2 wins in U.S.A. Half-sister to **PROPERANTES, BRADLEY U, ESTATE CARLTON**, Jillinsky (dam of **METHOD MAN**). Dam of 10 named foals, 7 to race, 5 winners, inc:-

**DOULAB** (Topsider) Champion 3yr old sprinter in Italy in 1985. 4 wins-3 at 2-at 5f, 6f, £75,556, York Gimcrack S., **Gr.2**, Ascot Cornwallis S., **Gr.3**, Lingfield Williams de Broe S., 2d Newmarket Middle Park S., **Gr.1**, Doncaster Flying Childers S., **Gr.2**, Roma Premio Melton, **Gr.2**, Haydock John of Gaunt S., **L**, 3d Goodwood Richmond S., **Gr.2**. Sire.

**LOCH BERING** (Bering) Jt Champion 3yr old colt in Scandinavia in 1995. 10 wins in Norway and Sweden, Jagersro SFK Jubileumsloppning, **L**-twice, Ovrevoll Marit Sveaas Minnelop, **L**, Polar Mile Cup, **L**, Taby Nicke's Minnesloppning, **L**.

Song of Syria. 2 wins in U.S.A. Dam of-

**CHILUKKI** (Cherokee Run) Champion 2YO filly in USA in 1999. 11 wins-6 at 2-from 4½f to 8½f, US\$1,201,828, Del Mar Debutante S., **Gr.1**, Santa Anita Oak Leaf S., **Gr.1**, Del Mar Sorrento S., **Gr.2**, Santa Anita El Encino S., **Gr.2**, Churchill Downs Debutante S., **Gr.3**, Churchill Downs Distaff H., **Gr.3**, Kentucky Breeders' Cup S., **Gr.3**, Monmouth Regret S., **L**, Del Mar California Equine Retirement Foundation H., **L**, 2d Breeders' Cup Juvenile Fillies S., **Gr.1**, Santa Anita La Canada S., **Gr.2**, Fair Grounds Davona Dale S., **Gr.3**. Dam of-

**Chilukki Cat**. Winner at 5½f in U.S.A. Dam of-

**CUQUI'S LOVE** (Afleet Alex) Champion Imported 3YO Filly in Puerto Rico in 2010. 16 wins-2 at 2-from 6f to 9f, US\$240,483 in Puerto Rico, Camarero Clasico Wiso G, **L**, Clasico Jinetes, **L**. Producer.

French Ballerina. Unraced. Dam of-

**DEVINE LAUGHTER** (Saint Ballado) 3 wins-1 at 2-from 7f to 8½f, US\$101,898, Evangeline Downs Green Oaks S., **L**, 4th Louisiana Downs Silverbulletday S., **Gr.3**. Dam of-

**Laughing Saint**. Unraced. Dam of-

**LAUGHINGSAINTSSONG** (Songandaprayer) 11 wins-1 at 2-to 6½f, US\$421,830, to 2023, Fair Grounds Louisiana Champions Day Sprint S., **L**, Evangeline Downs Louisiana Legends Sprint S., **L**.

**SAINTS N MUSKETS** (Musket Man) 7 wins from 6f to 8½f, US\$281,615, Delta Downs Magnolia S., **L**, Fair Grounds Shantel Lanerie Memorial S., **L**.

Morning Snaps. Unraced. Dam of-

**MORNING PUNCH** (Exploident) 3 wins-1 at 2, Turfway Park Florence S., **L**.

Jane Arnold. Unraced. Dam of-

**MIDWATCH** (Sea Hero) 15 wins from 5f to 9f, US\$427,539, Colonial Downs Kitten's Joy S., **L**, 2d Pimlico Henry S Clark S., **L**.

**CRYSTAL SEA** (Sea Hero) 8 wins from 5f to 8½f, US\$367,108, Delaware Park George