

A New President for TOC

Profile: Steve Schwartz

By Steven Baird

Schwartz at Santa Anita with trainer Henry Moreno.

As 2009 comes to a close and the new decade begins, the horse racing industry in California has completed an admittedly tumultuous period in its history and stands at a crossroads. For the Thoroughbred Owners of California the end of 2009 brought change of its own, with the hiring of a new president, Steve Schwartz. He brings to TOC a wide variety of experiences gained around the track and outside of it, which were evident when sitting and talking with him before the opening of the Santa Anita meet.

Raised in Arcadia in the shadow of The Great Race Place, Schwartz got his equestrian beginning riding recreationally around the local hills at the age of four. By the time he attended Arcadia High School – where he recalls, “instead of cigarette butts littering the ground, it was pari-mutuel tickets” – he had moved from the ranks of recreational riding into the world of Thoroughbred racing and competing at horse shows.

For a young man trying to find his way around the backside, Schwartz found an excellent guide in long time trainer Henry Moreno. He began working for Moreno at age 16 walking horses at Santa Anita and all around the state. By his early 20’s, Schwartz had progressed from hot walking to learning “basically everything you can do on a racetrack” from Moreno. The relationship is one that still impacts

Schwartz, who considers Moreno “my mentor and a second father figure.”

Schwartz also worked at Los Cerritos Rancho in Murrieta, where he broke yearlings and further entrenched himself into Thoroughbred racing. After graduating from Cal Poly, San Luis Obispo in 1972, Schwartz tried his hand at training horses for about a year. He also decided to pursue a law degree, and in 1976 graduated from Whittier College and passed the California bar exam.

His law degree combined with a love for horses and other animals led him to develop a practice whose main emphasis was the defense of veterinarians in malpractice suits through the American Veterinary Medical Association Professional Liability Trust. Wallace, Brown and Schwartz dealt with cases involving everything from horses to llamas to cats, dogs, and cockatoos. This variety of animals forced Schwartz into in-depth study of college veterinary texts. The result was “a very interesting way to practice law,” he admits.

His firm’s success led to expanded connections in Thoroughbred racing. Wallace, Brown and Schwartz is local council for the Breeders’ Cup when the event is held in California, local council for the Keeneland Association, as well as private council for many prominent individual



Schwartz (far right) at Del Mar after winning the CERF S. with Mountain Medley, 11/8/99.

Thoroughbred owners, trainers and licensees. Additionally, in the early 1990's Schwartz served as a CHRB volunteer officer.

Eventually his love for horses and the racetrack began to overshadow the excitement of practicing law. In 1999, he began to split his time between the law office and the tack room, where he had a barn of six to eight horses in training with his partner, Byron Walker. That year was a success as proven by the stakes wins and a very respectable 25 percent win percentage from starters. During that time, Schwartz also provided pro-bono legal counsel for those who couldn't afford it. In September of 2008, however, Schwartz fully retired from practicing law.

Schwartz is the proud father of three. Emily, the oldest at age 19, is currently attending the University of Kentucky studying Animal Science with a veterinary option in the hopes of one day being an equine vet. He also has 12-year-old twin sons, Scott and Duncan, who he admits are "soccer obsessed."

The sum of Schwartz's experiences, circuitous both through and around the horse racing world, create a unique and diverse background as he moves into his new role as President of the TOC. It is also this diverse background that helps clarify his vision of the role of the TOC as the industry moves forward.

When discussing the many issues that will shape the future of the sport and industry for which he has such a lifelong love, Schwartz recognizes there are many different concerns held by the people connected to the industry. In discussing pressing issues like the closing of racing venues in the state, the decline in breeding numbers and subsequently field sizes, and diversifying the betting menu, he sees a simplified approach to moving forward.

Specifically, Schwartz emphasizes a three-pronged focus for the TOC to help move Thoroughbred racing forward and simultaneously address the multitude of concerns. It involves a recurring theme that seems to shape his attitudes for the future; and that is to "not be bogged down in minutiae" when trying to progress.

The first prong deals with "expanding the accessibility of the sport to the gaming or wagering public," Schwartz explained. This increase in accessibility is crucial in increasing revenue within the sport, as well as greater interest across a wider cross section of the general public. Schwartz points out that in California there are around 18,000 outlets to purchase lottery

tickets, another state sanctioned wagering product, compared to only 34 wagering outlets for horse racing – clearly illustrating the need for greater accessibility. Especially important, he notes, is fully realizing the potential of the 2007 California law that allows for an additional 45 "mini-satellites" throughout the state. This is the law that has allowed the Commerce Casino to operate a successful race book, and it is key to expanding the accessibility to the general public.

The second focus moving forward for the TOC as Schwartz sees it may be the most widely contentious, and that is the issue of track surfaces. With so much emotion surrounding the topic, Schwartz's attitude is refreshingly calm, simply realizing the first step is to understand and quantify the ramifications the different surfaces have on the industry from the perspectives of both the animal and gaming, as both are intrinsically connected to the health and growth of the industry in California.

The third prong deals with current wagering models and the relationship between the bet takers and those who are responsible for the on-track product. As Schwartz points out, in some instances, "the bet takers are making more from the wager than the people putting on the show." The future health of our business is dependent on this relationship becoming more equitable and productive for all parties, especially in "narrowing the financial gap between what it costs to race a horse and what you can get back from it."

Schwartz views TOC as an organization whose role can be wholly "self determined by engaging in leadership practices" to accomplish positive gains in the three areas that will generate the wholesale growth the industry needs to succeed in the future. Leadership, as he explains, can be as simple as "getting in front of issues, stepping up and taking positions," but also requires "will and conviction and core beliefs about what needs to be done."

It's obvious to most people connected to horse racing that change is necessary to ensure that the sport is relevant and vibrant in the coming years. Schwartz has experienced the joys of a life around the track and connected to the great game of horse racing. And he also recognizes the importance of TOC's leadership role for the owners, big and small, and to the many other people who, like himself, have dedicated their lives to the game.

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