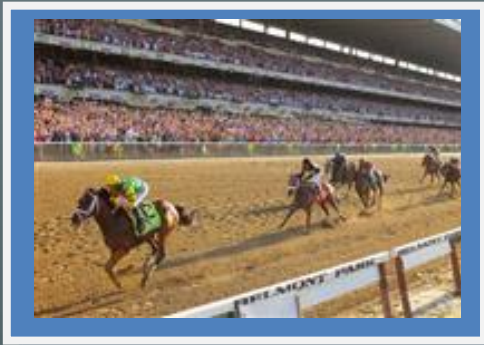


July 2013 Newsletter - Intermed XP



Headquartered in South Carolina, INTERMED XP took special pride in PALACE MALICE's win at the 145th BELMONT STAKES on June 8, 2013 in New York to complete the Triple Crown. Owner and promoter "Cot" Campbell, 85, founded Dogwood Stable in Aiken, SC in 1969 and PALACE MALICE is of course, one of Dogwood's own.

Numbered among a select group which have won a U.S. Classic Race and a Breeder's Cup race, Dogwood Stable is an attractive case study. Six times, its horses have represented the US in international racing competitions. W. Cothran "Cot" Campbell chose PALACE MALICE's trainer, Todd Pletcher in 1996 and has stuck with him. With jockey, Mike Smith astride, PALACE won the recent mile and half marathon realizing that the Belmont is not conducive for horses going too fast or too early.

For the casual observer of horseracing, a closer look at Campbell's stable also proves intriguing. Let us share some of what we have learned that perhaps may pique our readers' interests too. "Cot" more or less pioneered the practice of group ownership of thoroughbreds which allowed folks who love racing to participate at a reasonable cost. He cites three reasons for getting into a Dogwood Partnership: - It might make money - You can write off any money you lose - You'll have a lot of fun...and concludes with, "If you don't want the thrill, don't do it."

Money has never been Campbell's sole criteria for success, but acting as racing manager with retired chairman of Dow Chemical, Paul Orefifice taking a share in every Dogwood horse, Campbell has seen that partnerships are now closely held. That means that four to eight partners currently share General Partnerships. Dogwood Stable is one of the General Partners and owns a 4% interest in each partnership. This approach has tax advantages over the previous forty share system. Originally and up until 1990, Dogwood partnerships were based on forty shares of a five horse package.



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(803) 528 - 9082 Phone • (803) 782 - 1859 Fax
www.intermedxp.com



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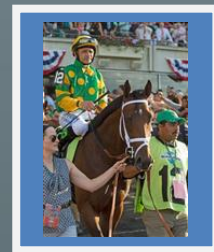
There were twenty-eight people who purchased the forty shares of the package that included SUMMER SQUALL, the 1990 Preakness winner.

The pursuit of moderately priced, young horses offering bloodlines that can result in highest caliber performance is how Dogwood characterizes its own acquisition policy. It distances itself from programs which invest large sums in untried bloodstock and feels that the success ratio between a \$100,000 colt and a \$500,000 colt may tend to favor the latter a bit, but the purchase price being five times higher is not worth the expectation of success which remains relatively small.

Avoiding ruinous results from such costly investments puts a Dogwood style partnership in position to get lucky, but limits exposure to financial calamity. PALACE MALICE out of Dogwood Stable was the right horse in the right race at the right time this year. Congratulations!

Information for this article has been gleaned from the Dogwood website- www.dogwoodstable.com. INTERMED XP cites that source, and recommends the oldie podcasts, titled "Cot's View" available there on a variety of subjects of interest to horse racing fans.

The Editor



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