

MIKE MALONEY FILE

by Peter Thomas Fornatale

AGE: 54

FAMILY LIFE: Maloney lives in Lexington, Kentucky, with his wife and two sons.

BIRTHPLACE: Lexington, Kentucky.

SCHOOLING: Graduated from Eastern Kentucky University with a BBA. "I used to play the races on paper while I was at school. I'd have the previous day's *Daily Racing Form*, and my roommate would have the results, and I'd handicap and come up with bets, and he'd use the charts and call the races and let me know how I did. It was a great way to learn."

GETTING STARTED: "I first went to the track when I was eight-years-old—Miles Park. My dad, Bud Maloney, took me, and he was my first teacher. He wasn't a professional, but he was a top-notch handicapper, and I learned a lot from him. He still goes to the track with me sometimes."

PREVIOUS OCCUPATIONS: "I grew up in the antiques business and had a successful career, but I gradually transitioned over to betting on horses. People think if you want to be a professional that you have to make this radical life change and do it all at once. That's not how it was for me at all. I did both at once, and I didn't switch over to doing horseracing full-time until I'd made a certain level of money for three years with racing. Only then did I give up my day job."

GENERAL ADVICE: "If you're good enough and you work hard enough, you can be successful as a professional horseplayer. But be careful: this life isn't for everybody. Some people just aren't wired for it."



Mike Maloney is one of the nicest—and smartest—guys you'll ever meet at the track. A well-renowned and successful player, Maloney loves the game, and his passion comes through in the way he leads by example. A strong player's advocate and a spokesperson for the Horseplayers Association of North America (HANA), championing the cause for the integrity of racing and giving players a voice, Maloney authored an article about past-posting—and offered incredible proof—which was published in this magazine to much acclaim and attention. A lot of people like to say that they can make their living from playing the horses, but Maloney is one of the few who really does.

HorsePlayer Magazine (HP): *It's been about six years since I interviewed you for Six Secrets of Successful Bettors. How has your play changed in that time?*

Mike Maloney (MM): I'm a lot more selective today than I was then—and that's out of necessity. The opportunities are harder to find and generally less lucrative than they were a few years ago. People have better information, and it's easier to access that information.

The large computer teams are more of a presence in the pools—and they do great work—and that makes it harder to find a really good bet. You have to be constantly evolving just to stay where you were.

You also have to be careful about which spots you choose, and then you have to maximize your potential profit by having your betting be really on

the mark. There's no room for sloppy handicapping or sloppy betting in today's world.

HP: *How do you pick your spots?*

MM: I've tried to expand my gambling repertoire, if you will. It used to be that most of my best bets came from the times (i.e., speed figures) that I do, or they were coming from the trip-handicapping that I do. Now I try harder to be a complete horseplayer, to find pedigree plays, pace plays, and trainer angles that work—or maybe angles that are specific to a certain distance at a certain track. I try to take advantage of each and every opportunity available to me, and I have to do that these days to make it worthwhile.

Take trainer angles for an example. I

have always been familiar with a certain subset of trainers and riders in Kentucky and in the Midwest, and I know them very well. But I've learned a lot more from *Daily Racing Form's* Formulator. It's a great way to find trainer plays that you can act on. That's a tool that's opened my eyes to how valuable trainer information can be.

HP: *How specifically do you use Formulator's trainer tool?*

MM: I am probably strange in the way I use it. I just like to go through trainers' horses and look at the records of what they've done and try to learn something about them—what they're good at and what they're bad at; what race meets they're good at and what meets they're horrible at. I try to educate myself.

Generally, I'll pick someone who has caught my eye, someone who has done something unusual. That's more important to me than trying to search for one situation. I want to find something that maybe I can act on for years to come. And I'm just as interested in somebody who isn't good at something than I am as someone who is good at something.

HP: *Any examples of that come to mind?*

MM: Maybe a trainer who can win a route race first time out. Maybe a trainer who claims a horse out of a dirt race that doesn't have a turf pedigree, but he brings that horse back on the turf and wins. He wasn't just looking at a pedigree—the physical aspects of the horse told him he could run on the turf.

I've found a couple of guys who are really good at claiming horses on the dirt and moving them to synthetic. They have an eye for a horse that will handle synthetics, and it's not connected to their pedigree. That's been a real sweet angle for me.

HP: *What are the other handicapping frontiers you're exploring these days?*

MM: Pace is another important avenue that's still evolving, especially when it comes to evaluating final times. I think final times are pretty much covered in today's world. I do my own times, however, and once in a while, I'll come up with a time that's different than what Beyer had and different than what *The Sheets* had, and I'll be right. But it's a rare situation. I think evaluating pace is still an area where there's still some opportunity if a person takes the time to do it.

HP: *You mentioned synthetics before. Talk about the effect they've had on your betting.*

MM: Synthetic tracks develop a personality. It may take a while, and it may change, but that's fascinating to me, and it creates opportunity. I think the

synthetic surfaces break down as time passes. The surface that you get when you put it in might not be the same as it is now. Partially, they've changed because the maintenance of the tracks has changed—of course, when they came in, there were misconceptions about how much you needed to water them.

Arlington refurbished their track before the meet started, trying to get the composition back to the way it was when it was first installed. The tracks will play differently as time goes on.

Keeneland got the reputation early on that it was death for frontrunners—and that was true—but as time went on, there were times when it was even an advantage to be on the front at Keeneland. But the perception is still there that it's all outside closers—and that creates opportunities.

With synthetics especially, as a handicapper, you need to be light on your feet and make sure you actually watch what's going on and don't fall into the trap of thinking that just because something was a certain way two years ago that it's definitely that way now. You want to be one of the first to pick up on the change.

Another thing you have to consider is that the form doesn't transfer from one synthetic track to another as well as you might think. Sometimes it transfers fine and sometimes it doesn't. You have to be aware of which surfaces are similar and which ones aren't.

HP: *How do you choose which tracks to play?*

MM: I float around to different meets. I know which ones I'm interested in, and then I let my success or failure steer me away from a meet or toward a meet.

HP: *Interesting. But couldn't that short-term success or failure have to do with luck? Is there something more to it?*

MM: It's a lot of different factors. The takeout is one of them. The size of the pools is another. It's also about the

consistency of the racetrack. Does form from today translate to the next time they run? There are synthetic racetracks where you're constantly guessing if a horse is going to run the same race next time. I call that "consistency of form"—and I'm always looking for that in a track that I'm going to play seriously.

HP: *Are you talking about things like biases? I always thought professional players liked to see biases, since biases give them information they can use.*

MM: There is a huge difference between bias and consistency of form. You can have a huge bias but still have consistency of form. I can adjust to a bias. I'm talking about a horse running an unaided 80 Beyer figure, no pace breaks, no bias, and then he comes back three weeks later in a similar spot at that same track under the same conditions, and he doesn't repeat the figure, and I can't understand why—that shows a lack of consistency of form.

If I've done my job and I can't explain a certain percentage of what's happening on the racetrack—if it's not logical to me—then I head somewhere else. It's one thing if you're just doing what I call "surface handicapping," just looking at the figures in the *Form* and doing a little low-level pace handicapping.

At that level, I wouldn't expect anyone to understand all of the nuances of a track. But if I'm making numbers and spending eight hours a week reviewing results and five hours a day watching and "tripping" the horses and evaluating trainers and riders...if I'm doing that and the results aren't logical to me after a certain length of time, it doesn't make sense for me to fight that battle.

As long as I can find a way to explain what I'm seeing and evaluate the horses and structure a bet where I can have an advantage, I can be patient and wait for my spot. But what I can't stand for, as a horseplayer, is being patient, thinking I found my spot, betting my money, have the race unfold the way I think it will, and still be completely wrong, and after the fact, if I still can't find an

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explanation—no trip, no bias—that's what I have to run from.

HP: *How do you find your best spots in 2010?*

MM: You're always looking for what you're better at than your competition. And the ability to structure a bet has long been my strong suit. So one thing I look for in a track I'm playing is a good betting menu. I'll look for trifectas in every race, superfectas in as many races as possible, lots of running Pick 3s, etc. I need to use my betting skills.

That's one problem I have with New York racing. They're getting a little better, but they still occasionally have graded races with no superfecta wagering available. Their exotics takeout on the tris and supers is absurd anyway, so the combination of those two things pushes me away from New York most of the time.

HP: *Speaking of superfectas, talk to me about the way that bet has evolved since we last talked?*

MM: The crowd has gotten much better, even just in the last two or three years, when it comes to playing the supers. You don't get the extra value in the superfecta that you used to. As far as how to play the supers, a lot of the people who I've observed, they focus on the first two slots of the finish because that's what they're comfortable with and that's what they're used to handicapping. And I do some of that too, but there are some horses that I've run into where you want to use the opposite approach. I feel like they're really likely to run third or fourth.

I'll structure bets with my key horses in third and fourth. There's probably as much probability in the third and fourth spots as in the first and second. If you're lucky enough where you get a price horse to win along with a key horse for third and fourth that is also a price—and a lot of them are—you've got a great chance to cash a monster ticket. Sometimes a dime super can pay into the thousands.

HP: *What is your general opinion of the dime supers? A lot of whales I know hate them since they might have to share a big score with some mope playing his wife's birthday.*

MM: As a professional, I had more of an advantage when it was a \$1 minimum super. But as a horseracing fan and a friend of the horseplayer, I'm for dime everything. That would be a smart way for the industry to go, to give small players a chance to spread out and cover as many combinations as they can, just like the big players do.

HP: *Looking into the future, what does the racing industry need to do to stimulate growth?*

MM: I think the number-one thing racing can do is to lower takeout, and that's for a lot of different reasons. Every study that has ever been done has always said the same thing: there is a direct correlation between how low the takeout is and how high the handle is. It's not purses or field size; it's takeout.

When I was young and my dad first started taking me to the races, racing was virtually a monopoly—and takeouts were lower than they are today. That doesn't make sense. In what other industry, as competition increases, do they raise prices? It's not logical. We're pricing ourselves out of the market.

I know the argument is made that a lot of players aren't aware of takeout—that they don't even know what it is, that they'll play no matter what. I would argue that even players who aren't immediately concerned with takeout, they know how long their stake for the day lasts. A person can go to a casino, and if you average out a lot of the games, they might be playing at a five percent takeout. And they can take a couple of hundred dollars to a casino and they can play for a long, long time.

If that same person comes to try out the racetrack, and he's playing into a twenty percent or more takeout, that's a huge, huge difference. He doesn't know what the takeout is at either

place, but he knows he had a lot more action at the casino. People might not understand takeout itself, but they understand how much fun they get for their money.

All we're doing when we raise takeout is driving away people. The regulars are coming less often or they're coming just as often but getting ground down. People within the game still don't understand how destructive takeout is.

HP: *I have heard a lot of people in the business blame the politicians for the current takeout woes. Is that not right?*

MM: Well, look at last month's meeting of the California Horse Racing Board. You had a takeout increase at Los Alamitos extended, and one of the executives commented, "Well, Saratoga has twenty-six percent takeout on their three-horse wagers; ours are only 21 percent, so we've got plenty of room to still be competitive."

That's the kind of thinking that shows how much trouble we're in. You're pricing your product out of the marketplace. You're not competing with Saratoga; you're competing with other forms of gaming, casinos, online wagering, even the lottery. You can't change the price of a wager and not expect it to have an effect.



Look at the stagnation in our handle compared to the growth of Betfair. That tells me that Betfair's model is a lot closer—a mere five percent takeout—than where we are now. And what's disturbing is we're moving farther away from the correct pricing model, not moving toward it.

HP: *What do you think of the exchange model in general? Might it be a way to reinvigorate the game in America?*

MM: I think the exchange model is going to have a huge impact. I can't wait for it. I have friends in Canada and in Europe who are using it right now, and they're very happy with it. It gives the serious horseplayer more of a fair shake. Maybe you don't have to be in the top one percent of all players in the country to make any kind of a profit at all, which is the situation we have in racing right now.

From a racing-industry perspective, what better promotion could you ever have than having people win when they come to the races—to show the general public that this is a skill you can develop, and no, you don't have to quit your job to do it? If you want the most challenging and fun gambling experience there is, come and learn this game. If you get good enough at it, you can make money. I think that's been the draw of poker.

All of us who watch poker tournaments on TV—and I never thought I'd be one of them—see winners. We see these young kids with great skill making money. And that helped drive the popularity of poker. You never hear those kinds of stories in racing. The difference is the discrepancy between the takeout in racing and the rake in poker.

HP: *Do you think that handicapping contests could be an avenue of growth in the game among new fans in horseracing the way that tournaments helped poker?*

MM: I'm all for them. They stimulate interest in racing. I think the NHC Tour is a great idea, too. Anything we can do to show the general public a winner in racing is helpful. We've done a terrible job of that. The only horseplayers who have any notoriety in the general public are maybe Andy Beyer and Steve Crist—and they're really good, but they both have other jobs to make ends meet. I don't think the public has ever heard of a single horseplayer who makes his living at the racetrack, and I know they're out there because I'm one of them.

HP: *It sounds like you think the game would benefit tremendously if we found a Chris Moneymaker for horseracing.*

MM: That's a great way to frame it. If you're a racing executive, you need to think, "Where's our Chris Moneymaker?" He was a factor in the jump in the popularity of poker. Hundreds of millions of dollars have been spent by the racing industry in marketing, and yet we don't have one true professional horseplayer known to the public.

One example of "Hey, this is what can happen in this great gambling game" can tell the general public that they'd be damn fools *not* to go to the racetrack if they wanted to gamble.

HP: *I know you're involved with HANA, the Horseplayers Association of North America. Talk to us about them a little bit.*



MM: It's important for horseplayers to have representation. Not everyone is going to agree with every stance we take on every issue, but I think by and large we do a good job of representing all horseplayers, and there's strength in numbers—so anyone who is reading this, I'd like them to take a look at HANA on their website www.horseplayersassociation.org and consider joining. **HP**

PETER THOMAS FORNATALE, a frequent contributor to *The HorsePlayer Magazine*, is the coauthor of *May the Horse Be with You* with Harvey Pack and *Six Secrets of Successful Bettors*.



MIKE MALONEY (SECOND FROM LEFT SEATED AT TABLE) HAS BEEN A HORSEPLAYER'S ADVOCATE FOR YEARS, OFTEN SITTING ON INDUSTRY PANELS, REPRESENTING THE INTERESTS OF ALL HORSEPLAYERS.