

An Explanation of the American Quarter Horse Graded Stakes Process Including Approved 2011 Revisions

Introduction

The purpose of the American Quarter Horse Graded Stakes Committee is to provide owners and breeders of racing Quarter Horses a reliable guide to the relative quality of Quarter Horse bloodstock by identifying those races whose recent renewals have consistently attracted the highest quality competition. The Committee meets annually to evaluate and affirm the relative quality of these races, and issues its collective opinion in the form of ranked Grades: Grade 1, Grade 2, and Grade 3, with Grade 1 being the highest. Horses winning these graded races may reliably be considered as superior racing stock, and the breeding stock producing them as superior breeding stock. The committee will separately evaluate and grade restricted American Quarter Horse races.

Broad acceptance of the graded stakes system allows its potential use for promotional and other purposes. Racetracks may benefit from having their races graded, just as a graded win may increase a racehorse's value. While the Committee recognizes that individuals and organizations may utilize grading for purposes beyond the Committee's own, such uses play no role in the grading process. As was true at the beginning of the grading project in 1983, the Committee's aim is to identify and assess those races which over a stated period have attracted the highest importance and quality of field – quality herein defined in terms of the relative of excellence of participating horses.

The Racing Committee approved a number of changes to the grading process at the 2008 AQHA Annual Convention, and this document will explain the reasons behind those changes within the context of American Quarter Horse racing's stakes history. This guide is also provided as an aid to understanding the Graded Stakes Task Force's work.

Section I – The Graded Stakes Committee

This section describes the composition of the Committee and explains many of the subjective decisions that go into grading specific races.

Section II – Description of the Proposed Graded Stakes Approval Process

This section explains in detail the proposed approval process as recommended by the Executive Committee, Racing Council and the AQHA racing department.

Section III – History

This section details the original criteria of the graded stakes system and the changes it has since undergone.

Section I

The Graded Stakes Committee

Membership

The American Quarter Horse Graded Stakes Committee is composed of nine (9) members, as geographically diverse as possible, appointed by the Racing Council and approved by the Executive Committee. It shall contain at least (6) at large AQHA Members in good standing, two (2) racetrack management and no more than one (1) trainer, with rotating 3-year terms. The Racing Council can appoint a replacement for anyone who is unable to vote. Any racing member on the Committee whose employment status changes significantly during his/her tenure on the Committee will automatically be reviewed by the Racing Council.

Chairman

A Chairman is elected annually by the Members of the Committee. The Chairman must have served as a Member of the Committee for at least two years.

Non-Voting Participants

In the absolute discretion of the Chairman of the Committee, guest observers may be invited to attend Committee meetings.

Grading Procedure

The grading of races is conducted at meetings duly called by the Chairman, usually in February/March. Other meetings are called as necessary. All grades issued, denied, or altered are voted upon by a quorum of the Committee at a duly called meeting. Six affirmative votes are required to upgrade any race and five affirmative votes are required to downgrade a race.

Criteria for Consideration for Grading Unrestricted (open) and Separately Restricted Races

To aid the Committee in determining which races should be considered for grading, the Committee has adopted the following criteria for screening AQHA races:

- *Purse requirement* – A race is not considered for grading unless it is scheduled to have a total minimum purse value that has been established.
- *3-year average stakes points requirement* – A race is not considered for grading unless it meets or exceeds the minimum level established for the average of stakes points for a 3-year average.
- *Drug testing* – A race is not considered for grading unless the testing meets or exceeds the guidelines and procedures established by the various racing jurisdictions' governing body/racing commission.
- *Longevity* – Races are not graded unless they have had two previous runnings under fundamentally the same conditions and meeting the minimum purse requirements.

- *Restricted races* – Races are not eligible for open grading if conditions for competing in them include restrictive provisions relative to which horses may enter, other than by sex or age. A race is regarded as a restricted race if (1) any of its conditions for entry would tend to exclude better horses while allowing participation by lesser horses, or (2) the race contains any preference clauses that are based on criteria other than the quality of horses unless such preference applies only in determining the preference of horse deemed to be of equal quality (i.e. horses assigned equal weight in a high-weights preferred race). Restricted races are graded separate from open races by the Committee.
- *Invitational races* – Not all invitational races carry all the strict definitions of stakes race entry fees, but are eligible for grading if the race satisfies all other criteria.
- *Changes in conditions by racetrack management* – If a graded or eligible race is altered materially in age, sex, eligibility, racetrack location, or purse, or is substantially changed on the calendar, this will prompt a review and may result in a change in grade. Stakes races that are eligible for grading must appear in the track's published stakes book.

Technique and Information

Information supplied to the members of the Graded Stakes Committee includes statistical data for the last three (3) years for all eligible races indicating quality of the field based on 1) quality points achieved and 2) the official charts of the five most recent renewals. Each renewal is identified by division, grade, distance, purse and number of starters. Members are expected to utilize this data, together with the knowledge drawn from their own experience, to make individual judgments as to the relative merit of the eligible races.

Notification

Racetracks/race sponsors/AQHA affiliates are sent the 3-year average for stakes points for each of the committee's decisions. The tables provide the tracks with an understanding of how a particular race compares with other races in its grade and division.

Non-Quantitative Objective Factors

No matter how thorough the statistical information, Committee members must bring knowledge and judgment to bear on their decisions. The following are examples of a few of the situations requiring such judgment, rather than strict adherence to mathematical information:

- *Small fields* sometimes can be looked upon as indication of a poor event, but it must be remembered also that small fields may be the result of exceptional quality.
- *Some changes in a race are minor*, or are obviously intended to improve it. Among changes which might take place without mandatory change in grade status include, but are not limited to, small increase or decrease in purse, minor alteration of distance, change of date, change of name.
- *Strength of the division* will also be considered. If the Committee considers that a race takes on special importance because it is one of the few of its kind such a race might be graded higher than a race that has similar statistics but is one of many in its category.
- *Total number of graded races* and the distribution of particular grades among the races are monitored by the Committee to retain the approximate shape of a pyramid, i.e., Grade 1 races being the least numerous and Grade 3 races the most numerous.

Additional Considerations

Based on its experience in grading races, the Committee has established the following guidelines for its grading decisions:

- Geographic distribution is not considered.
- Purposely granting a grade to a race at a lesser track in hopes of boosting the track was found to be ineffective and has in fact diluted the pool of graded races; the Committee has therefore abandoned this approach.
- Handicap races are not treated differently from other races.
- Decisions on grading are not made with the thought of promoting or suppressing sponsorship or promotional potential on behalf of any organization, individual or horse.

The above guidelines and statistics notwithstanding, each Committee member is expected to bring judgment and knowledge to every grading decision. In the end, the grades are a composite of expert opinion, rather than the result solely of statistical analyses.

Section II

Description of the Current Graded Stakes Approval Process

In 2008, the AQHA Racing Committee, Racing Council and Executive Committee approved the following processes to grade American Quarter Horse stakes races.

The AQHA Graded Stakes Committee has determined that an objective measurement of race quality should be presented in detail and summary form in its Grading Session Workbook.

Achievement in graded and unrestricted stakes events (denoted in the Workbook by QUALITY POINTS) provides the grading process with a desired historical continuity as well as a means of recognizing high achievement across divisions. At the same time, the Committee recognizes that these measurements tend to support the self-perpetuation of graded events, an effect that can compromise the evaluation process while magnifying the consequences of all grading decisions.

The Grading Session Workbook therefore represents the Committee's latest best effort to provide itself with the least imperfect array of "hard data" to aid, inform, and support an evaluation process that must finally depend on the integrity, experience, and judgment of the Committee members themselves. The calculations can supplement, but cannot supplant, the collective wisdom of the Committee.

The American Quarter Horse Graded Stakes Committee grades races in 3 divisions, evaluating the quality of the field of each eligible race in a given division relative to the quality of the field of other races in that division. These divisions are:

1. Two-year-olds (2YO)
2. Three-year-olds (3YO)
3. Three-year-old & Up (3&UP)

Note – the distance division is broken out by money but each race is included in the respective age divisions.

EXPLANATION OF STATISTICAL INFORMATION PROVIDED

- A.** Each committee member is provided the same statistical information that includes a listing of each track that conducts American Quarter Horse racing. The ballot contains the following information:
 1. Race Name
 2. Grade of race for the current year and the previous three years
 3. Track
 4. Distance
 5. Individual year stakes points for each of the previous three years and the 3-year average of those stakes points
 6. Purse value of the previous three years
 7. Comments and notes

- B.** *As of January 1, 2009 the minimum purse and points requirements will be the same for both open and restricted graded stakes.*

- C. A point system has been established to evaluate the quality of races** – A three-year rolling average of stakes points will be used to evaluate a race’s quality.
- *Points earned by each individual horse in an open stakes race will affect only other open stakes races that they compete in that year.*
 - *Points earned by each individual horse in both restricted and/or open stakes race will affect other restricted stakes races that they compete in that year.*

STAKES RACE POINT SYSTEM:

Grade	1 st	2 nd	3 rd
G1 & RG1	100	80	60
G2 & RG2	50	40	30
G3 & RG3	25	20	15
Non-graded black type	5	0	0

This race point system was developed to compare one field vs. another. These points do not affect official AQHA points nor are they reflected on a horse’s official record. They are only used for the purposes of grading stakes races.

Example: A horse runs

- 1st in the Mardi Gras Futurity (RG2) earning 50 points,*
- 2nd in the Remington Park Futurity (G1) earning 80 points,*
- 4th in the TQHA Sale Futurity (RG1) earning no points,*
- 3rd in the Oklahoma Juvenile Challenge (G3) earning 15 points and*
- 6th in the Texas Classic Futurity (G1) earning no points*

For the year, this horse has 95 points in open races and 50 points in restricted races. The Mardi Gras Futurity and TQHA Sale Futurity stakes points averages will reflect the total 145 points for this horse. The Remington Park Futurity, Oklahoma Juvenile Challenge and the Texas Classic Futurity stakes point’s averages will reflect 95 points for this horse.

D. PURSE AND STAKES POINTS REQUIREMENTS

Requirements for minimum purse amounts and minimum 3-year average of stakes points apply to both open and restricted stakes races.

Age	Grade 1	Grade 2	Grade 3
2-Year-Old	45+	20 – 44.9	10 – 19.9
	\$250,000	\$100,000	\$50,000
3-Year-Old	60+	40 – 59.9	20 – 39.9
	\$150,000	\$75,000	\$35,000
3-Year-Old and Up	60+	40 – 59.9	20 – 39.9
	\$100,000	\$50,000	\$25,000

870-yard races must have a \$100,000 minimum to be considered for Grade 1 status, have a \$50,000 minimum for a Grade 2 or have a \$25,000 minimum to be considered for a Grade 3 status.

E. ADDITIONAL REQUIREMENTS

1. A \$15,000 minimum purse requirement for a race to be considered an official stakes race.
2. Distance requirements for a new race to be considered for Grade 1 status:
 - 2-Year-Olds – After August 1, the race must be at least 350 yards
 - 3-Year-Olds – Must be at least 400 yards
 - 3-Year-Olds and up – Must be at least 400 yards
3. For a restricted race to be considered for open graded status, purse money may be allotted for horses meeting the restricted criteria, but that money can only be a maximum of 20% of the total purse. Grading consideration will only be based upon unrestricted purse money (minimum of 80%).
4. Starting in 2006, a new race must have been run for two years before it will be considered for a grade.
5. If an existing graded race is moved, it will retain its previous graded status unless it shows improvement or decline deemed necessary to change its graded status.
6. The Graded Stakes sub-committee has the discretion to allow a race to retain its current grade if that race falls no more than 10% below either the points or purse requirements.
7. A race whose conditions give preference to non-qualifiers of another graded stakes race does not qualify for graded stakes status.
8. To require that racetracks that wish to have their races considered for grading must have their conditions and nominations schedules on file with AQHA prior to grading of the race.
9. In order for AQHA to grade a stakes race such race must have conditions limiting entry and competition to only American Quarter Horses registered with the American Quarter Horse Association.
10. A review of the guidelines will be conducted every 12 months with a report to the Racing Council on any possible revisions.

Definitions of open and restricted stakes races are available to educate horsemen and fans. Sale Companies also will be asked to place the definitions in their sale catalogs.

Open Stakes Race – any race in which any foal or horse can make nomination(s), sustaining and entry fee payment(s), or a supplemental payment, at the time of entry as long as the conditions do not exclude a horse based on the criteria set for a restricted race. An open race may restrict entrants only to age or sex.

Restricted Stakes Race – A race in which the conditions limit the participants based upon any of the following criteria:

1. State/Province/Country of breeding
2. State/Province/Country of foaling
3. State/Province/Country of Ownership
4. Horses sold in a particular sale
5. Progeny of a certain group of stallions

A restricted race will be available only to a certain set of horses and will not be open to all horses.

Before a person buys a horse of any age be sure to conduct the proper research to learn about buying and owning a Racing American Quarter Horse. Also, interview current owners, breeders and trainers and consult www.aqharacing.com. The AQHA Official Handbook of Rules and Regulations also will help with questions regarding fees, Racing and other pertinent information.

Section III History

On December 2, 1982, the American Quarter Horse Association Executive Committee formally adopted the Graded Stakes Program for Quarter Horse racing. The guidelines used in grading the stakes races for 1983 were as follows, *(the guidelines listed here are in abbreviated form)*:

1. All stakes races having been run at least the three consecutive years previous to consideration for Grade 1, 2, 3, shall be reviewed by the graded stakes subcommittee. Not all stakes races would receive a grade.
2. Primary criterion for grading stakes is the quality of horses attracted to the race. The number of quality horses in a field reflects an appraisal by racing participants of the importance of a stake. Longevity of a stakes does not make the race important if it does not attract a quality field of horses.
3. No stakes restricted by the place of foaling is to be considered for classification.
4. Subjectively, the graded stakes subcommittee should favor races with level weights or weight-for-age races, rather than handicaps. Due consideration should be give to traditional stakes.
5. Handicaps should be considered carefully, as they may by design permit a horse of lesser ability to win over a better horse burdened by an assigned high weight.
6. The graded stakes subcommittee may grant opportunity for track management to appear before the subcommittee in support of a particular grade.

Of the 14,317 races contested in 1981, 429 met the necessary qualifications for a stakes race. Of these, 235 were eligible for grading. A total of 93 stakes races received recognition as Graded Stakes. This total is 0.65% of all races run in 1981.

Effective January 1, 1985, certain restricted races were elevated to the status of “black type” races. These races were classified as Restricted Stakes and shall always be designated by the symbol “R”. In addition, these races will be eligible to be graded. Example: R1, R2 and R3.

The following types of races will be eligible for designation as Restricted Stakes:

- A. Races restricted to state of breeding, foaling or residence of owners.
- B. Races restricted to those horses sold in a certain sale or sales with at least 100 yearlings consigned representing at least 15 stallions.
- C. Races restricted to the progeny of a restricted group of stallions, provided:
 1. The stallions stand at and are the property of five or more distinct breeding farms.
 2. The foals eligible for the race represent a minimum of 15 stallions on the original nomination list.

Minimum gross purse requirements became effective with balloting for 1995 Graded Stakes status. If a race falls below the minimum purse requirement for the grade it was given, the grade will automatically be dropped to the appropriate level for the following year.

Two-year-olds	Three-year-olds	Three-year-olds & Up
G1 & RG1 – \$100,000	G1 & RG1 – \$75,000	G1 & RG1 – \$50,000
G2 & RG2 – \$ 50,000	G2 & RG2 – \$35,000	G2 & RG2 – \$25,000
G3 & RG3 – \$ 25,000	G3 & RG3 – \$20,000	G3 & RG3 – \$15,000

In 2000, the AQHA Racing Council approved the following increases to the minimum purse requirements. The Racing Council also approved that should the purse fall below the minimum gross purse requirements, the race may still be considered for grading and not automatically be lowered if it meets the following added money minimums. These levels were used in the approval of the 2001 through 2008 graded stakes.

MINIMUM PURSE REQUIREMENTS:

Two-year-olds	Three-year-olds	Three-year-olds & Up
G1 & RG1 – \$150,000	G1 & RG1 – \$100,000	G1 & RG1 – \$75,000
G2 & RG2 – \$ 75,000	G2 & RG2 – \$50,000	G2 & RG2 – \$35,000
G3 & RG3 – \$ 35,000	G3 & RG3 – \$25,000	G3 & RG3 – \$20,000

MINIMUM ADDED MONEY REQUIREMENTS:

Two-year-olds	Three-year-olds	Three-year-olds & Up
G1 & RG1 – \$100,000	G1 & RG1 – \$75,000	G1 & RG1 – \$50,000
G2 & RG2 – \$ 50,000	G2 & RG2 – \$35,000	G2 & RG2 – \$25,000
G3 & RG3 – \$ 25,000	G3 & RG3 – \$20,000	G3 & RG3 – \$15,000

In 2004, the Official Guidelines for Grading AQHA Approved Races were modified and approved by the AQHA Racing Council to reflect the following:

1. A minimum purse requirement of \$15,000 was established for a race to be considered an official stakes race.
2. Distance requirements were set into place for a new race to be considered for Grade 1 status:
 - a. 2-Year-Olds – After August 1, 2005, the race must be at least 350 yards
 - b. 3-Year-Olds – Must be at least 400 yards
 - c. 3-Year-Olds and up – Must be at least 400 yards

3. MINIMUM PURSE REQUIREMENTS:

Two-year-olds	Three-year-olds	Three-year-olds & Up
G1 & RG1 – \$250,000	G1 & RG1 – \$150,000	G1 & RG1 – \$100,000
G2 & RG2 – \$100,000	G2 & RG2 – \$75,000	G2 & RG2 – \$35,000
G3 & RG3 – \$100,000	G3 & RG3 – \$50,000	G3 & RG3 – \$25,000

4. 870 yard races will be required to have a \$100,000 minimum to be considered for Grade 1 status, have a \$50,000 minimum for a Grade 2 or have \$25,000 minimum to be considered for a Grade 3 status.
5. Starting in 2006, a new race must have been run for two years before it will be considered for a grade.
6. If an existing graded race is moved, it will retain its previous graded status unless it shows improvement or decline deemed necessary to change its graded status.
7. In the event a race falls 20% below the minimum purse requirement for one year, it will be allowed to retain its current graded status and then be subject to review by the Graded Stakes Committee.
8. A race whose conditions give preference to non-qualifiers of another graded stakes race does not qualify for graded stakes status.
9. The following point scale will be used to evaluate the quality of races:

	1 st	2 nd	3 rd
G1	100	80	60
G2	50	40	30
G3	25	20	15
RG1	50	40	30
RG2	25	20	15
RG3	15	10	5
Non-Graded Black Type Races	5	0	0

10. Starting in 2005, the Graded Stakes Committee will be comprised of 16 geographically diverse members; eight elected from the Racing Committee with no more than two members from any one state, these members will serve staggered three-year terms. Eight additional at-large members who shall also be from geographically diverse areas will be appointed by the Racing Committee chair and approved by the Racing Council.

American Quarter Horse racing and stakes programs are dynamic products of regulatory, contractual, and competitive conditions in many local and regional environments. The AQHA grading system is designed to accommodate the flexibility and dynamism of AQHA racing; a grading system that could not quickly respond to our ever-changing conditions would never be appropriate in our country.

Judgment and flexibility thus must always be a part of the system.