

Massicotte seeks company's reins

Horse racing. Working to buy out Attractions Hippiques lenders

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Paul Massicotte (above) is prepared to inject more capital into new entity, lawyer Neil Stein says.

Photograph by: JOHN KENNEY, THE GAZETTE, The Gazette

In a development that has Quebec horsemen recoiling, Attractions Hippiques owner Paul Massicotte is negotiating to buy out the company's principal lenders and continue running the horse-racing business in the province through another company.

Neil Stein, the lawyer representing Attractions Hippiques, told a Montreal Superior Court hearing yesterday that a tentative agreement has been reached with the lenders for an unspecified percentage of the \$52 million they're owed, and should be finalized Friday.

"Our objective," Stein said, "is to stay in business."

The Quebec horsemen's association has repeatedly opposed extensions of creditor protection for Attractions Hippiques, arguing the chances for a rebirth of the industry are much better in different hands.

"If Attractions Hippiques can't ensure the future of the racing industry, let someone else try," horsemen's lawyer Jean-Philippe Gervais told the court yesterday.

Prominent racehorse owner Tony Infilise, head of a group whose offer for most of the racing operations was rebuffed, wondered why they weren't given an opportunity by trustee RSM Richter Inc. to buy the debt.

He said it's now incumbent on the Quebec government to see that the needs of the entire industry are met.

"Our jockey-club proposal included a guarantee of a minimum 90-per-cent return of the parimutuel tax and any VLT revenues in the form of purses. The government should demand the same (from another buyer). If they can't, they should get out."

Stein said Massicotte invested \$20 million in Attractions Hippiques, which has been in creditor protection since June 2008, and he's prepared to inject more capital into the new entity.

Of the four racetracks that presented live racing when Attractions Hippiques took the reins of the racing industry from Quebec in 2006, only Sulky Quebec in Quebec City still does.

Attractions Hippiques has continued to generate revenue from bets on outside races made at its tracks and teletheatres, but that may be ending soon.

The Canadian Pari-Mutuel Agency's lawyer, Pierre Lecavalier, told the hearing it considers Attractions Hippiques in breach of regulations by not providing sufficient live racing to justify pari-mutuel licences for Montreal, Trois-Rivières, Aylmer and the teletheatre network, and the company got a letter to that effect this month.

Its response was that creditor protection overrode those regulations.

Stein said the company is negotiating with the Quebec government to have the province redraw racetrack territories so they'd all come under a single permit. The government has "given us certain assurances these changes will be made," he said.

Attractions Hippiques was seeking another 45-day extension of creditor protection, to Oct. 8, but received only a four-day extension, to Friday, because no judge was available yesterday to hear the arguments.

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