The Cramer-Olmsted Report

C&O Research of the Month

The Bottom Line Betting Line

My first inkling of a personal odds line came from a conversation with Dick Mitchell, back in the early eighties. He said: "If anyone can develop an accurate odds line, he'll never have to work a day again in his life."

Dick first introduced me to the mathematics of the concept, that one's personal line would have to total 100 percentage points, that the odds we see on the board reflect the takeout and breakage and therefore add up to around 120 percentage points. By adding excess percentage probabilities for each horse (e.g. lowering the odds), the toteboard is representing a false picture since there cannot be more than a one-hundred percent chance of having a winner.

I then began watching Barry Meadow at the harness races. He would make a line for each and every race, and then bet only those contenders (6-1 personal odds or below) that were going to post at least 50 percent ABOVE the odds they SHOULD BE according to Barry's lines. This procedure is simpler at the harness races than at the thoroughbreds, for the pacers and trotters are much more consistent, race more often, and sustain fewer injuries.

Next, I would watch Frank Cotolo, more recently an *American Turf Monthly* columnist, during a Summer meet at Hollywood Park in which he would make his own line for every understandable race and bet only the overlays. Since in most races, his personal 100% line would coincide with public analysis as reflected on the 120%-plus toteboard probabilities, he would be obligated to pass, for there would be no overlays.

But when he did have an advantage, say 8-5 on his line and 5-2 on the board, he would bet with both hands, and it didn't matter if it was his first, second, or third choice.

Frank won a lot of money that meet, but he also spent a lot of time passing races. His handi-

capping was rather traditional, although he did his own figures. At that moment, it dawned on me that non-traditional, against-the-grain handicapping, based on systematic and rational analysis could produce more substantial overlays. In other words, using objective information that the public was not aware of, or emphasizing handicapping nuances that the public disregarded, would generate larger overlays.

The nuances existed in Howard Sartin's constantly evolving but conceptually consistent pace analysis; not the linear or additive thinking that we are conditioned to follow, but a more subtle view of things that takes into account the way horses match up against each other and not just their intrinsic fractions.

I won't get into this and so many other iconoclast ideas that Sartin has used in a number of different and thankfully contradictory computer software programs. The point is that Sartin's methods are stubbornly different in the factors they use or the ones they decide to ignore.

Howard and me.

This was about the time that Sartin and I, although always respecting each other, became intellectual antagonists. My gripe was that he had (in the eighties) a cultish following and that one who differed intellectually with ideas in his seminars felt besieged by his followers, who seemed more like inquisitors.

At the same time, Howard was labeling Mitchell, Meadow and me "the value boys" and ridiculed us (we three differ greatly in our approaches) for looking for bets and not winners. "Who cares if it's an overlay," he would jibe, "if it doesn't win."

Howard and I implicitly agreed to disagree. I've always been intrigued by iconoclasts and Howard is one of them. He reminded me of Don Quixote, a brilliant man who often antagonized others by being hard-headed. People I knew and respected were once Sartin followers but for whatever reasons they had, dropped out.

I knew that I could never be a follower, because I was a believer in several Sartin taboos, especially trainer specialties. But in a room with Sartin followers, I never felt insulted when, insinuating my presence, he would say that "the trainer cannot talk to the horse."

Some of my friends will cringe when they read my positive comments on Sartin. How could I be intrigued by someone who is, they allege, a dogmatist? My answer: I believe that winning handicapping methods can only come from (1) gifted intellect with (2) an against-the-grain personality. Howard is both.

Sartin is hard to understand at times. He often does not write in a sequential style. His workbooks often read like a collage. He reminds me of the poetry of the great Pablo Neruda, who is understood only by the cumulative impact of his lines and not by their sequence.

Sartin's mind goes far beyond the narrow confines of handicapping factors. He relates analysis of the past performances to chaos physics, jazz music, and gestalt psychology. The broad context of the Sartin methodology is just as important as the details.

"Nobody ever accused Doc Sartin of trying to

pander to a mass audience," wrote Andrew Beyer.

I feel that with all our disagreements, Howard maintains his respect for me, and I deduced this because he would accept writings of mine that were critical of his operation with grace and dignity.

When Barry Meadow wrote a lengthy piece on Sartin, with both positive and negative comments, but tilting toward the negative, it occurred to me that Howard should be judged not on peoples' opinions of him (a large portion of Barry's piece) but on something more objective, some sort of test of his methodology, and this is what I've set out to do.

The Bombshell

But how to test his methodology? Lo and behold, Sartin came up with a new product that indicated a major evolution (or revolution) in his perspective. After having belittled the "value boys" for playing third choices because they were overlays, Sartin himself came up with software program called the Bottom Line Betting Line (BL/BL).

Now, Sartin will probably insist that this is simply an extension of his methodology, but hey, it's a betting line that operates on the same premise as what the value boys have been saying all along. To me, the world's greatest thinkers have one thing in common: a willingness to change, which is the sign of a youthful mind, and Sartin has changed.

All along, I felt that if Sartin's unique analysis could be put into the format of an odds line, all I'd have to do was bet the overlays and, as Dick Mitchell had said years ago, I could not help but win.

The Research

I probably surprised Howard when I sent him a check for a hundred dollars. I explained that I wanted to do a C&O research project on the BL/BL. I asked him to put in 50 $2 bets, mechanically playing horses that appeared as the largest overlays on the BL/BL readout. For research purposes, I wanted win bets only, and, in keeping with my original writings on personal odds lines, I didn't care if the bet was on a first, second, or third choice, nor did I have an objection to making multiple win bets in the same race; if you've got two overlays in the same field, by all means bet them both.

I explained that I would need the printouts of each and every BL/BL odds line as documentation. I understood that Sartin followers use several programs with various printouts they call corollaries, which may affect how they decide to bet a race. But all I wanted was bets based on the largest overlays from the original BL/BL.

I also explained that 50 races was a small sample, and that win or lose, C&O readers would be told to examine the results and make their own conclusions. The standard procedural understanding for all C&O research is that a single research sample does not offer conclusive evidence either way, win or lose. If I lost money, I'd publish the losses. If I won money, I'd publish the winnings. I considered that a 10- or 15- percent profit would be successful. I was in for a surprise.

My reason for using real money fit within the C&O philosophy; the closest a research sample can be to the real action, the more legitimate it is. The hundred dollars was thus purely symbolic, a way of measuring the experiment.

My intention was not to highlight Sartin's pace nuances like fractals, the match-up, energy, etc. It was simply a test of the personal odds-line theory: if a good handicapping

method is channeled into an odds line, the player cannot help but win.

Of course, with odds lines, the concept of garbage-in-garbage-out applies. A personal odds line (form) cannot rectify a poor handicapping methodology (content).

The Results

In all, there was $114 invested (57 horses). I see from the printouts sent to me that the reason for going beyond the original $100 is that the research was approached by racing card. After five cards of betting, $86 had been bet. Partways through the sixth day, the $100 amount was reached, but they decided to finish out the day's card, using money from winning bets.

The gross return was $371, for a profit of $257 (225 percent!)

Sartin will not be pleased, but in the interest of cool calculation, I must adjust these figures. There were two huge longshots. Anything can happen in a short sample, and may not be indicative of a longer sample. So I'm extracting those winning bets (70.40, 66.60) from the sample. A 45-1 horse that finished second by less than a length is evidence that the BL/BL does indeed pick BIG ONES, but it's my job to be the devil's advocate.

The adjusted return, after having excluded the two longshot winners, becomes $234, for a profit of $120 (105 percent!) This still constitutes an impressive profit.

Sartin explained to me that his clients use corollaries in order to decide which overlays to bet; their bets are not automatic. In many of the sample races I found three overlays even though only two horses were bet. Why so many overlays?

Answer: In reviewing BL/BL printouts, I discovered that this program does not function on the basis of a 100 percent line and evidently appraises horses' intrinsic odds, making no adjustments if the total of the odds/ probabilities ascends above 100.

Therefore, I'm going to assume that I'm a dumb user, or simply one who has trouble making decisions. In order to avoid using corollary material that might be confusing or contradictory, I decide to bet three overlays in each race.

Within this research sample, this constitutes an additional 30 losing bets. Subtract $60 from the $234 adjusted return and you get $174. Even with these zealous adjustments (excluding the top two longshots and adding 30

losing bets), the BL/BL still produced a $60 profit, which is above 50 percent, better than the best of mutual funds. So much of Sartin's newsletter The Follow Up deals with how to use the corollaries, and I don't have the experience to say such corollaries are not necessary, but my point was to test the BL/ BL as a mechanical tool

(see workout of results next 2 pages).

Analysis

Longshots. How does the BL/BL come up with such inconceivable longshots? The final bet in the sample is atypical. His running lines came from Albuquerque, the most minor of minor league tracks.

Mathematicians might argue that the BL/BL, by incorporating more than 100 percentage points into its lines, is overestimating horses. The supposition seems valid, but when we examine most of the longshot winners, we discover that they still would have been overlays had the BL/BL been readjusted to conform to the 100% standard.

For example, had Melrose Lane been 4-1 (20%) instead of 2-1 (33%), at 34-1 he still would have been an overlay. Adjust Diggs Retreat upward to 5-

The documentation: workout of results: Santa Anita

Date	Race	Horse	BL odds	Track odds	Mutuel
2/27	2	Pirate's Hoist	8-5	4-1	10.80
		Polvita	9-5	2-1	-----*
		*not overlay, should not have bet			
	5	Cut an Paste	4-1	11-1	24.60
		Prized Peaches	4-1	14-1	-----
	6	Wasatach	7-2	17-1	36.20
		Champ's Star	7-2	11-1	-----
	7	Knife Maker	even	9-2	11.00
		Megawing	3-2	15-1	-----
	8	Wayne's Whirl	even	16-1	-----
		Current Agenda	5-2	10-1	-----
3/1	2	Diggs Retreat	5-2	22-1	46.60
	6	Erasmus Hall	3-1	8-1	-----
		Shot of Gold	3-2	3-1	8.20
	7	Futuristic	even	7-1	-----*

*BL/BL was 1-1 on the eventual 2-1 winner but they
    decided not to bet because, given their type of
    line, they require a greater advantage, I imagine

	8	Gentilhomme	2-1	12-1	-----
		Fabulous Guy	3-1	45-1	----- 2nd!
	9	Pete the Greek	9-5	4-1	----- 2nd

*BL/BL made the eventual 7.60 winner Viareggio 8-5,
    but again, it looks like they were demanding a
    greater overlay

3/4	2	Corwun	2-1	8-1	----- 2nd
		Eastern Spirit	7-2	6-1	-----
	3	Linear	5-2	19-1	-----
		Cyrano Storm	3-1	4-1	10.00*

*This bet was a mistake; too slight an advantage

| | 5 | As The Bell Tolls | 5-2 | 7-2 | 9.00* |

*Another questionable bet

| | | Savvy Connection | 7-2 | 3-1 | ----- |

*Obviously a mistaken bet

	8	Danebo Stampede	3-1	5-1	-----
		Daily Rounds	5-2	10-1	-----
3/6	1	Miss Brite Eyes	9-5	4-1	-----
		Coney Belle	5-2	13-1	-----*

*Without the two questionable winners, I'd have lost
    8 straight races at this point!

	3	Park View	5-2	8-1	19.40
		Boy Chick	even	14-1	-----
	4	Nat's Wedding	2-1	7-2	-----
		Bamboo Victory	5-2	8-1	-----
	6	Devoted Pirate	even	5-2	7.60
		Highland Fire	3-1	18-1	-----

3/7	3	Emimag	even	7-1	16.00
		Coastal Time	9-2	11-1	-----
	4	Hawksley	even	7-1	16.80
		Via Lombardi	5-2	9-1	-----2nd
	6	The Exeter Man	8-5	26-1	-----
		Gold Land	2-1	5-1	-----2nd
	9	Innovative	even	14-1	-----
		Billy Dazzler	2-1	21-1	-----
	10	Evening Watch	even	2-1	-----
		Bepton	2-1	5-1	-----
3/8	1	Mighty Lobo	9-5	16-1	-----
		River Rhythm	2-1	6-1	-----
	3	Kidnap	8-5	14-1	-----
		Clickety Clack	8-5	4-1	10.00
	4	Estrella Voladoras	2-1	19-1	-----
		Milbree	5-2	8-1	-----
	5	Melrose Lane	2-1	34-1	70.40
		Silverbuffetman	even	2-1	-----
	6	Houston Station	8-5	20-1	-----
		Jovi San	7-2	22-1	-----
	8	Toda Una Dama	9-5	32-1	66.60
		Fun In Express	2-1	16-1	-----
	9	Expresser	even	7-2	8.80
		Damascus Eagle	5-2	103-1	-----

	RETURN	372.00
	INVEST	114.00
	PROFIT	258.00

1 (16%) instead of 5-2 (28%) and he still would have been an overlay at 22-1, and we could repeat the same argument for all the longshot winners in this sample.

Furthermore, it appears as if the Sartin people who put in these bets were demanding track odds of at least double their BL line odds; by becoming so demanding of value, they were, in a sense, compensating for the possible over appraisal of their original line.

(This may not be precisely their rationale, but

objectively it is the most sensible interpretation of their choice of bets.)

Now back to the original question. If the over appraisal of the BL/BL is not responsible for the program's ability to pick longshots, what is? My take is that users are advised to choose the most representative running line in relation to distance class, and other factors. By doing this, the program does not get fed more recent races that may not be representative. Thus the program is capable of picking up horses with

APPARENTLY poor recent form, the types of horses that the public discards prematurely.

Records. Users of personal odds lines, no matter from what handicapping methodology derived, should review records regularly, especially during the learning process. Proficient personal odds lines should have a higher percentage of winners among top choices, the second highest hit rate among second choices, and so on down.

The BL/BL, at least within this sample, ful-

filled the prerequisite. First choices won more than second picks, the second best evaluated horses won more than third choices, and third choices won at a higher percentage rate than fourth choices.

But if this is the case, why not simply bet one's top choice? The BL/BL's top choice was an underlay more often than its second choice, and its second choice was an underlay more often than its third choice. It may seem contradictory, but the BL/BL's second choices, winning less often than its first choices, nevertheless yielded a higher percentage of profit.

The BL/BL's third choices, although not yielding as high an R.O.I. as its second choices, surpassed the top-choice R.O.I.

Fourth choices, on the other hand, met with disaster, at least within this sample.

Decisions and corollaries.

In Sartin literature, there are many subtle arguments in favor of using corollary programs

to help decision making. I noticed in the workout they sent me (along with the check for the winnings) that some subjectivity went into decision making. The person who took out my research dollars on 3/ 1,-for example, decided not to bet Free World in the second race (9-5 on the BL and 8-1 on the board) a huge overlay.

In most of the cases, though, whoever took out the action decided to use the two horses with the greatest odds/value advantage when comparing BL odds to toteboard odds. This seemed more sensible to me.

But with all due respect for those who did me the great favor of testing the original, I have a few suggestions that would allow the user to forget about corollaries and make this the dream of all horseplayers: the mechanical bet.

(1) Drop the fourth BL/ BL choice from consideration, unless tied in rating with the third choice;

(2) Bet each and every horse among the top three BL/BL choices that offers 100 percent overlay odds. If the top three BL horses

are all 100% overlays, they all must be bet. If only one of the top three BL horses is a 100% overlay, then only one horse must be bet.

For example, if a horse is projected on the BL line to be "even", he can be bet at 2-1 or above; at a BL 2-1, he can be bet at 4-1 and up; at a 3-2 BL, he can be bet at 3-1 or up. For odds whose arithmetic is confusing, do as follows: if the BL odds are 8-5, we would need 16-5 odds for a bet. Since 15-5 is equivalent to 3-1, 3-1 is not double the odds of 8-5, so our 8-5 BL horse would need 7-2 on the board.

With the BL/BL printouts and the results charts for the same races on my desk, I re-ran the bets from the same sample to test my mechanical procedure. (A fairer test would be to use a totally new sample, but I didn't have one available.)

My new sample resulted in a similar percentage of profit, but the difference was that it was guided by PURELY MECHANICAL CRITERIA.

In this sample there

Whole sample			Adjusted sample(minus2 biggest longshots)	
Return	372.00		Return 235.00	
Invest	118.00		Invest 114.00	
Profit	254.00	216%	Profit 121.00	106%

were 59 bets and 17 hits, for a 29% hit rate, but these 59 bets occurred in only 30 races, so the user collected in 56 percent of the races he bet.

On only six occasions was a single horse bet in a race. In five races, three horses were bet to win. In 19 races, two horses were bet to win.

My question to the Sartin people is: why grapple over which two of three overlays should be bet. If they are all at least 100 percent overlays, bet them all! On the other hand, if only one of the top three BL horses offers the required edge, why insist on betting one of the other two.

My findings confirm the spirit of Sartin's 2-horse-to-win strategy, but also suggest that one need not follow the letter of the law in each and every instance, since the key determinant of any bet is whether or not it's an overlay.

Conclusion

My findings on the BL/BL are quite optimistic, although 30 races and 59 bets does not constitute a conclusive piece of research. My conclusion is based on comparisons with other line-generating computer methodologies, most typical of which was the one based on William

Quirin's <u>Winning at the Races</u>.

Invariably with the Quirin odds lines, the most-likely winners will be under appraised, primarily because too many percentage points were awarded to non-contenders.

Another defect of Quirin's and other similar computer generated lines is that they used the same factors the public uses: finish position, in-the-money finishes, earnings, etc. You cannot find overlays by mimicking the crowd. The Quirin method "picked" plenty of winners (if you were willing to bet underlays) but it did not pick good bets.

If it ain't broke don't fix it

I'm tempted to suggest to Sartin that he make a simple readjustment in the BL/BL in order that the total percentages add up to 100. At least with the sample he sent me, most of the same overlays would have still been value bets, especially if we were to only require a 50 percent advantage as a minimum overlay.

However, having analyzed his printouts and having used a 100 percent advantage requirement, it looks at this point as if the program functions as is.

The difference between Sartin's program and Quirin's is that Sartin inputs running lines, frac-

tions, or factors that do not fit within the public's handicapping mindset.

This brings us back to my original point. If the handicapper can make personal odds lines that consistently obey ANY intrinsic handicapping logic but whose logic is NOT THAT OF THE PUBLIC, then this handicapper cannot help but win money at the races over the long run. He must simply bet those contenders whose odds are at least 50 percent higher than what they SHOULD BE according to the handicapper's personal odds line.

Competent and creative handicappers who have read this article may experiment with their own odds lines, using only those races in which they have insights that differ from the public. Three good handicappers can produce three different but competent lines for the same race, providing that they operate from intrinsically logical premises.

There is no one objective truth in handicapping, and intuitive logic is part of the process. All three of the mentioned handicappers can win at the races, using different methods, so long as they confine their bets to those horses that are going to post with potential payoffs that are significantly higher than their true value. ∎