

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, June 14, 2013 – 11:00 a.m.
Hollywood Park**

MINUTES

Board Members Present: Madeline Auerbach, Mark Dedomenico (by phone), Mike Harrington, Ed Moger, Jack Owens (by phone), John Sadler, Pablo Suarez (by phone), George Todaro (by phone), Kathy Walsh, and Mike Wellman.

Board Members Absent: Billy Morey.

Staff Present: Joe Morris, Kellee Breen, Mary Forney, and Richard Scheidt (by phone).

- I. Call to Order
The meeting was called to order at 11:04 by Mr. Morris.
- II. Approval of Minutes
Ms. Breen requested a correction to the May 10, 2013 minutes to reflect that the Finance Committee recommended moving TOC accounts from Wells Fargo to UBS, not Union Bank. On a motion by Mr. Wellman, seconded by Mr. Sadler, the board voted unanimously to approve the minutes of May 10, 2013 as corrected and the minutes of May 22, 2013.
- III. ADW/Simulcast Committee
Mr. Morris reviewed current status of out-of-state simulcast and high volume player rate negotiations and distributed a rate sheet comparing 2012 to 2013 showing where Monarch has increased rates and the beneficial impact on purses. There was a brief discussion regarding Monarch's negotiations, particularly with Churchill Downs. The board directed Mr. Morris to keep in regular communication with Monarch to monitor the progress. Mr. Morris noted that Lien Games and WatchandWager (Sacramento Harness organization) each have asked to be licensed as California ADW providers. He recommended that the discussion go to the ADW/Simulcast Committee, who should consider possibilities of changing the ADW model. It was recommended that the committee come back to the full board with its recommendations.
- IV. Finance Committee
Ms. Breen provided a brief financial report. Our budget versus actual is in very good shape, with a May surplus of over \$300,000. All transfers have been made to our new financial institution, UBS.
- V. Racing Affairs Committee

Ms. Auerbach briefly discussed the claiming rule change, which recently went into effect. She recommended the issue go back to committee to develop a strategy to bring the matter back to CHRB with a different direction. As constituted, the claiming rule now is not sustainable. There was a brief discussion, with general agreement that there should at least be an opt in for those who want to claim a horse in any event.

Mr. Morris gave an update on the industry meetings of the past week. The SCOTWINC Stabling & Vanning Committee voted to support the stabling scenario recommended by TOC. Mr. Morris will meet with Mr. Robbins of Del Mar next week to explore and discuss the actual number of stalls that will be needed for this summer. Remaining issues include the industry fund, the need to find a location and settle with Santa Anita, and the need to settle the ADW situation between HRTV and TVG. A lengthy discussion ensued. Mr. Sadler requested that the minutes reflect that, at the May 10 board meeting, he meant to vote “no” on the motion that, based on the financial information available to us, TOC support the scenario of training at Santa Anita, Los Alamitos and San Luis Rey Downs unless Fairplex comes back by the end of May with a proposal that fits into the financial model.

VI. Owner Relations/Marketing Committee

Mr. Wellman reminded about the Open Forum scheduled for Saturday, June 22 in Pleasanton. Those planning to attend are Messrs. Moger, Morris, Owens, Pegram and Wellman (possibly).

There was a brief discussion regarding the Chairman’s Award, and Mr. Pegram recommended that Dr. Dedomenico receive this year’s award for all the work he has done on EIPH. The board agreed.

VII. Medication Committee

Mr. Morris provided a brief update on the EIPH meeting in New York on June 6th and the current status of the ARCI/ Mid-Atlantic Guidelines.

VIII. Legislative Committee

Mr. Pegram provided a brief legislative update in Mr. Cardoza’s absence.

There was a discussion regarding the CMC legislation, which sunsets at the end of 2013. The board agreed that for the time being the CMC should be left intact. There followed a brief discussion regarding a proposed modification, put in by Breeders’ Cup, to SB 1072. Mr. Wellman made a motion that Mr. Morris request Breeders’ Cup to pull their modification. The motion was seconded by Mr. Harrington and passed unanimously.

IX. Race Meet Reports

Mr. Scheidt provided a brief update on the current Hollywood Park meet. He also provided a brief update on the Golden Gate meet, which ends this weekend, as well as an update on NOTWINC and Stabling & Vanning.

There was a discussion regarding some discrepancies between the CARF and Golden Gate Fields proposals for 2014-15 race dates. Ms. Walsh made a motion to support the Golden Gate Fields 2014-15 racing calendars enclosed in the packet, which was seconded by Mr. Wellman. A brief discussion ensued during which the motion was amended to include Mr. Morris having the authority to negotiate the TOC position on approval of the Northern California 2014-15 racing schedule. The motion then passed unanimously.

X. Executive Session

The board adjourned to executive session at 1:00 p.m.

XI. Next Meeting

The next meeting will be Friday, July 19, 11:00 a.m. at Del Mar