

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, April 11, 2014 – 11:00 a.m.
Santa Anita**

MINUTES

Directors Present: Nick Alexander, Bob Baffert, Mark Dedomenico (by phone), Ron Ellis, Mike Harrington, Terry Lovingier, Ed Moger, Billy Morey (by phone), Jack Owens (by phone), Mike Pegram, Pablo Suarez (by phone), George Todaro (by phone), Kathy Walsh, and Mike Wellman.

Directors Absent: Bill Strauss.

Staff Present: Joe Morris, Kellee Breen, Mary Forney, and Richard Scheidt.

I. Call to Order

Mr. Morris called the meeting to order at 11:04 a.m.

II. Approval of Minutes

On a motion by Mr. Alexander, seconded by Mr. Harrington, the minutes of the March 14, 2014 meeting were unanimously approved.

III. Owner Relations/Marketing Committee

A. Brad McKenzie, Los Alamitos, Guest

Mr. McKenzie was present, along with Los Alamitos racing secretary, Bob Moreno. Mr. McKenzie spoke regarding Los Alamitos' plans to make the inaugural Thoroughbred meet a successful one and to provide extra services for owners. In response to a board question about valet parking for owners, Mr. McKenzie outlined plans for an owner/trainer parking lot with a separate entrance and close access to the track, which will be handled by the valet parking staff from Santa Anita. Mr. Moreno provided a brief update on the condition book for the meet.

IV. President's Report

A. Horse Count

Mr. Morris' southern California horse count on April 1 was 2818 horses, including 415 two-year-olds, as shown on an enclosure in the board packet. Mr. Morris also noted that, at the request of Mr. Ellis, he spoke to Santa Anita about the possibility of keeping the track open during the summer. Due to planned construction in the stands and maintenance on the track they will be unable to do so; however, they are working on increasing the number of stalls at San Luis Rey Downs. Following discussion, Mr. Pegram proposed scheduling a meeting with CTT and Santa Anita representatives to discuss the racetrack surface and stabling issues.

B. Santa Anita Spring Meet Takeout Experiment

Messrs. Ludt and Newby of Santa Anita came in to the meeting to discuss Santa Anita's proposals for rolling daily doubles with an 18% takeout and a dark day Thursday following Monday racing on Memorial Day. Following a brief discussion, Mr. Wellman moved that the board approve the rolling daily doubles at 18% for the second Santa Anita meet. The motion was seconded by Ms. Walsh and passed unanimously. Another motion was made by Mr. Wellman to approve a dark Thursday following Memorial Day Monday. The motion was seconded by Mr. Lovingier and passed unanimously.

V. ADW/Simulcast Committee

A. OTB Update

Mr. Morris reported that the Bakersfield Fair OTB that closed would be reopened as a sports bar. Not being a part of a fair, it will now be included in the southern zone under the direction of SCOTWINC. He also noted that CARF is still holding up mini-satellite development in the San Francisco Bay Area in an effort to obtain an extra 1% for all of the CARF sites, and he will meet with them in the next couple of weeks.

B. On-track Wagers Update

Mr. Morris is still working with the ADW's to get them to treat wagers made on track as on-track wagers. He has a call scheduled for next week but has met with some resistance. TVG has had a management change and is reconsidering its initial position of approval, but XpressBet is in favor of it. There are also still technology issues to overcome. On a motion by Mr. Harrington, seconded by Ms. Walsh, the board unanimously voted to authorize Mr. Morris to proceed with hiring of experts to resolve the technology issues, providing a cost proposal to the board to approve when available.

C. ADW Update

Mr. Morris said he is still working on the development of a horsemen's ADW and is currently running a financial model. He briefly explained the basic framework of the horsemen's ADW.

VI. Finance Committee

Ms. Breen provided a brief financial report, noting a year-to-date surplus of \$287,214. Revenues have increased and expenses decreased, and we are starting the fourth quarter with high projections.

VII. New Business

Mr. Morris noted that TOC was in negotiations with Santa Anita and supported their putting out a press release announcing free admission and parking in the Infield during the second meet. Additionally, he said that a new house claiming rule has been included on the stall applications that are going out, which should prevent people from coming in from out of state and poaching horses. Discussion ensued.

VIII. Racing Affairs Committee

A. Del Mar – Los Alamitos Horse Recruitment Program

Mr. Scheidt reported that the committee is in negotiations with Del Mar regarding their race meet agreement. Del Mar would like the ability to carry purse monies from the summer meet to the fall meet, and Mr. Scheidt will add language to the contract that it must be at TOC's sole discretion. He has also received the Los Alamitos proposals and will be working with them in the next few weeks.

B. 2013 NorCal Fair Update

Mr. Scheidt reported that he received purse proposals from Santa Rosa yesterday, and a meeting will be set up with the NorCal Racing Affairs subcommittee to discuss. A meeting is also set next week to discuss the race meet agreement for the CARF fairs. Following a brief discussion, it was agreed that staff should proceed with negotiations for a single CARF race meet agreement with side letters for each fair meet to ensure TOC's concerns are met on a meet-by-meet basis.

IX. Medication Committee

A. Third-party Lasix Administration

Mr. Morris obtained the third-party Lasix administration protocols for Kentucky, New York and Woodbine, which he will be reviewing with Dr. Arthur and the CTT to develop a California protocol. A brief discussion ensued.

Dr. Dedomenico gave a brief update on his meeting with Breeders' Cup representatives, veterinarians and owners including Hill N Dale, Juddmonte, and Denali Stud.

X. Legislative Committee

Regarding Internet Poker legislation, Mr. Morris has had discussions with Santa Anita, Del Mar, CHRB and the CTBA – who are all at the table to discuss a plan of action as an industry. Mr. Pegram added that we are looking into hiring someone in Sacramento to coordinate with the lobbyists of each of those organizations to create one voice in Sacramento. Mr. Morris noted that a hearing is scheduled for April 23, and Mr. Pegram will testify on our behalf. A brief discussion ensued.

XI. Race Meet Reports

Mr. Scheidt provided brief race meet reports for Santa Anita and Golden Gate Fields. Mr. Scheidt was requested to get figures on how Hollywood Park is performing as an OTB.

XII. Next Meeting

The next meeting will be Friday, May 9, 2014 at 11:00 at Santa Anita

XIII. Adjournment

The board adjourned to Executive Session at 12:53 p.m.