

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Thursday, September 18, 2014 – 11:00 a.m.
Los Alamitos Racecourse**

MINUTES

Directors Attending: Nick Alexander, Bob Baffert, Jim Cahill, Mike Harrington, Terry Lovingier, Ed Moger, Billy Morey (by phone), Jack Owens (by phone), Mike Pegram, Bill Strauss, George Todaro (by phone), Kathy Walsh, and Mike Wellman.

Directors Absent: Mark Dedomenico and Ron Ellis.

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

I. Call to Order
Mr. Morris called the meeting to order at 11:06 a.m.

II. Approval of Minutes
On a motion by Mr. Wellman, seconded by Mr. Harrington, the minutes of August 22, 2014 were unanimously approved.

III. Del Mar Presentation
Messrs. Robbins and Rubenstein of Del Mar Thoroughbred Club came into give an update on the switch from Polytrack to dirt beginning after their Fall meet. They reported that they would be using the same material from El Segundo that Santa Anita recently used for its track resurfacing and that the process is expected to take 60-90 days. They also gave an update on personnel who will be involved, noting that both Dennis Moore and Mick Peterson would be consulting. They then answered questions from the board.

Mr. Morris asked about the amount of fair activity that will take place on the track, noting this board's concern, and Mr. Robbins explained the steps Del Mar will take to mitigate any impact on the new track surface.

At Mr. Wellman's request, Mr. Robbins provided a brief recap of the Ship and Win program.

IV. President's Report

A. Industry Update

Mr. Morris reported that we have not yet signed the Santa Anita Fall race meet agreement, but the Racing Affairs committee has asked them to race two additional days. He asked for board input, and a discussion ensued. Mr. Alexander made a motion to stand firm on the two additional days. The motion was seconded by Ms. Walsh and passed unanimously.

B. Stabling Update

Mr. Morris noted that Fairplex is scheduled to close Nov. 5 per the current Stabling & Vanning agreement. Fairplex has informed us they would be willing to stay open until March 3. After that, they want to close the stable area. Mr. Morris recommends that we extend Fairplex through the current year, on the current agreement, and look at January and February as part of the 2105 agreement.

He noted that there is a possibility of getting an additional 100 stalls at Los Alamitos, and Mr. Brackpool is also considering temporary stalls in the north parking lot of Santa Anita. Mr. Morris will have more information after this week's meetings. Discussion ensued.

C. Horse Recruitment

Mr. Morris provided a brief update on the current status of the year-round horse recruitment discussions.

D. CARF Satellite Proposal

Mr. Morris reported that he would be meeting with Mr. Korby on Friday, and the CHRB pari-mutuel subcommittee meeting is scheduled for next Tuesday. He added that he will continue to move the proposal forward, and he believes a good solution has been proposed that will allow for growth.

E. Del Mar vs. Saratoga Purse Comparison

Mr. Morris reviewed the enclosure in the board packet comparing purses at Del Mar and Saratoga.

F. Legal Issues

Mr. Morris noted that the next hearing is scheduled for Oct. 8.

V. ADW/Simulcast Committee

Mr. Morris provided a brief update, noting that he will meet with Mr. Baedecker and Ms. Thurman next week to prepare for the upcoming CHRB meeting.

VI. Finance Committee

Ms. Breen gave a brief financial update, reporting a year-to-date surplus of \$37,513. The audit is completed with no adjustments and no management letter. The audit report will be ready by the next board meeting and will be filed with CHRB.

VII. Owner Relations Committee

A. Northern California Annual Meeting, October 18

Mr. Wellman reminded board members about the upcoming board meeting and annual meeting at Golden Gate Fields.

B. Susan G. Komen Fundraiser at Del Mar

Mr. Wellman informed the board about a three-day event to raise funds for breast cancer research, which will begin at Del Mar. He offered some concepts for board consideration, including running a race at Del Mar offering stallion seasons for first, second and third placings, a "pink day" at the track, conducting a raffle, and selling pink ribbons and/or bracelets. The board was generally supportive of the Owner Relations Committee following up on this.

C. TOC Conformation Clinic, October 4

Ms. Forney provided a brief update on the TOC Conformation Clinic scheduled for Saturday, Oct. 4.

VIII. Racing Affairs Committee

A. Hollywood Park Underpayment Recommendation

Mr. Morris reported that there was a \$471,000 underpayment from the final Hollywood Park meet and that, going forward, any track taking their dates should be eligible to receive a carryover from those funds. He said that Los Alamitos was approximately \$400,000 overpaid for the summer meet but has a good chance of coming in at zero for the current meet. Average purse generation at Los Alamitos is up almost 26%. For the winter meet, the Racing Affairs committee has asked Los Alamitos to keep purses at the same level, and they are also planning to continue to run the Grade 2 Bayakoa S. Mr. Morris proposed moving the entire \$471,000 to Los Alamitos.

Following discussion, Mr. Harrington made a motion to carry over the entire \$471,000 to the Los Alamitos winter meet. The motion was seconded by Mr. Lovingier and unanimously passed. A general discussion followed regarding Los Alamitos customer service, marketing, etc. Mr. Pegram noted that he will be meeting with Dr. Allred in the near future and will discuss long-term racing, stabling and marketing.

B. Del Mar Fall Meet

Mr. Scheidt gave an update on the Racing Affairs meeting regarding the Del Mar Fall race meet proposal.

IX. Medication Committee

A. Update on Uniform Medication Guidelines

Mr. Morris reported that he would be meeting with other state horsemen's groups in October. A brief discussion ensued regarding Breeders' Cup and Lasix and the proposed CHRB jockey whip rule.

X. Legislative Committee

As the legislature is not in session, there was no update since the last meeting. Mr. Morris reported that there would be an HRU meeting soon, and of the \$50,000 TOC has budgeted for HRU, \$25,000 will be needed for a first installment.

XI. Race Meet Reports

Mr. Scheidt gave brief race meet reports on Los Alamitos and Golden Gate Fields.

XII. Executive Session

There was no executive session.

XIII. Next Meeting

The next meeting will be Friday, Oct. 17, 2014 at 1:00 p.m. at Golden Gate Fields, followed by the Northern California Annual Meeting on Saturday, Oct. 18 at 10:00 a.m.

XIV. Adjournment

Mr. Morris adjourned the meeting at 1:07 p.m.