

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, January 9, 2015 - 11:00 a.m.
Santa Anita**

MINUTES

Directors Present: Nick Alexander, Bob Baffert, Jim Cahill (by phone), Mark Dedomenico (by phone), Ron Ellis, Mike Harrington, Ed Moger, Billy Morey (by phone), Jack Owens (by phone), Mike Pegram, Bill Strauss (by phone) Kathy Walsh and Mike Wellman.

Directors Absent: Terry Lovingier and George Todaro

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

I. Call to Order

Mr. Morris called the meeting to order at 11:06 a.m. The board immediately adjourned to executive session.

II. Executive Session

The full board meeting reconvened at 11:28 a.m.

III. Approval of Minutes

In the December 19, 2014 minutes, Section II, the second sentence of the second paragraph was changed from "Oak Tree subsequently requested \$50,000 to \$100,000 as a fee; however, Dr. Allred stepped in today and said he would be willing to sign the agreement," to "Oak Tree subsequently requested \$50,000 to \$100,000 as a fee; however, Dr. Allred said today he would consider the agreement."

On a motion by Mr. Moger, seconded by Mr. Wellman, the minutes of December 12, 2014 were unanimously approved as written and the minutes of December 19, 2014 were unanimously approved as corrected.

IV. President's Report

A. Industry Update / Horse Count / Stabling

Mr. Morris provided the December horse count. He then updated the board on the current situation concerning Galway Downs. By law, an auxiliary stabling facility must be operated by a licensed racing association. After discussions with Del Mar, Oak Tree Santa Anita and Los Alamitos, Mr. Morris worked with Messrs. Balch and DeMarco to craft an agreement whereby each racing association would act as the operator of Galway Downs for the duration of its live race meet. A draft agreement has been sent to Galway; if Galway and Santa Anita sign the agreement, the plan is to open Galway the first part of February. A discussion ensued regarding auxiliary stabling.

B. Future Stabling

Mr. Morris noted that discussions are currently ongoing with Los Alamitos and Santa Anita. He also advised the board that Del Mar has paid \$1 million to the industry fund for stabling.

C. Horse Recruitment

Mr. Morris reported that at yesterday's CMC meeting, a deal was finalized for year-round Ship and Win for Southern California to start April 1.

D. CARF Satellite Proposal

Mr. Morris provided a brief update on the OTB site development.

E. Santa Anita Park Significant Player Proposal

Mr. Morris reported that an agreement has been finalized that mirrors last year's significant player program.

He then informed the board that a CHRB committee would next week be considering a ruling regarding gelded colts being scratched if listed in the program as colts. After discussion, a motion was made by Mr. Harrington to support the CTT position that if it is discovered before the betting pools are open and is noted in the first announcements of the day that no scratch is necessary. His motion was seconded by Mr. Owens and unanimously approved.

Mr. Morris noted he has received five emails regarding the zero date racing office policy, and he thinks the issue may need to go back to Racing Affairs. Following a discussion regarding a year-round date system, it was decided the discussion should go back to the Racing Affairs committee.

V. ADW/Simulcast Committee

Mr. Morris reported that letters have been sent out to TVG, TwinSpires and Xpressbet regarding arbitration on ADW hub agreements. Drew Couto is working on this with TOC. He also brought up the fact that at some point over time, TOC lessened the strength of some of our ADW approval letters and agreements, and he is going back and tightening them up.

Mr. Morris added that negotiations are still ongoing regarding on-track ADW wagers being counted for purses and commissions the same as regular on-track wagers.

VI. Finance Committee

Mr. Alexander reported on the December financials, noting a surplus of \$100,000, which includes \$109,000 secured from insurance companies that was reported as a receivable although not yet actually received. The year-to-date surplus is \$64,000, which includes \$205,000 in legal bills.

Mr. Morris reported that the insurance company has committed to \$109,000, but we will probably receive slightly more. Mr. Morris is impressed with Mr. Yarmouth and competent in the firm's abilities. With regard to the Jamgotchian lawsuits, he added that there is a January meeting followed by a February hearing.

VII. Owner Relations Committee

A. NTRA Legislative Briefing at Santa Anita Jan. 24

Mr. Morris provided details of the scheduled legislative briefing hosted by the NTRA. Mr. Owens asked if we could obtain a written report in advance, which Mr. Morris agreed to do.

B. Box Seats

Mr. Wellman updated the board on the current status of the box seat issue at Santa Anita.

VIII. Racing Affairs Committee

A. Santa Anita & Golden Gate Winter-Spring Meets Update

Mr. Scheidt reported that both purse agreements have been executed for the entire race year.

B. Participation Fee update

Mr. Morris said he would have Mr. Scheidt run an analysis again and look at what we should do regarding participation fees. He requested that board members send any ideas to him or Mr. Scheidt, after which the matter would go to Racing Affairs before being brought back to the full board.

IX. Race Meet Reports

Mr. Scheidt provided race meet reports for the first eight days of each of the Santa Anita and Golden Gate Fields meets. He added that he is still pushing to get Golden Gate Fields to do some marketing. He then provided a final update on Ship and Win for the year. He will be helping CMC track Ship and Win for the ongoing year-round program. Mr. Wellman added that close to 67% of the Ship and Win starts are by local trainers.

A general discussion ensued regarding future race dates and the industry fund for auxiliary stabling.

X. Next Meeting

The next meeting will be Friday, February 13, 2015, 11:00 a.m. at Santa Anita

XI. Adjournment

The meeting was adjourned by Mr. Morris at 1:14 p.m.