

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, March 13, 2015 – 11:00 a.m.
Santa Anita**

MINUTES

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

Directors Absent: Bob Baffert and George Todaro.

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

I. Call to Order

Mr. Morris called the meeting to order at 11:05 a.m.

II. Approval of Minutes

On a motion by Mr. Alexander, seconded by Mr. Harrington, the minutes of February 13, 2015 were unanimously approved.

III. President's Report

A. Industry Update / Horse Count / Stabling

Mr. Morris reviewed the February horse count, which was enclosed in the packet. He noted that field size at the current Santa Anita meet has gone from 7.54 last year to 8.54.

B. Future Stabling

Mr. Morris updated the board on the present situation at Galway Downs, including improvements and start up costs. He added that we currently have sufficient stalls, but we will need additional stalls by summer. In this regard, he has been meeting with Dr. Allred and Mr. Liebau regarding additional stalls at Los Alamitos.

He has also had discussions with Los Alamitos regarding obtaining a ten-year commitment, as well as possibly moving race dates. He noted that getting sufficient stalls is our number one priority right now. A discussion ensued regarding the future of Los Alamitos racing.

Pursuant to a question raised by Mr. Ellis, there was a lengthy discussion regarding options for Santa Anita to remain open for training during the Del Mar meet.

C. Horse Recruitment

Mr. Morris advised the board that the Ship and Win program starts in southern California April 2, and press releases have been sent out in that regard.

IV. ADW/Simulcast Committee

A. OTB Update

Mr. Morris reported that the SCOTWINC OTBs continue to be up more than 9%. He added that Sportech has agreed to stay in California and work to open more sites.

B. On-track Wagers, Stabling Deduction Update

Mr. Morris updated the board on the status of negotiations to obtain an extra .5% from the ADWs for Stabling & Vanning. XpressBet has agreed, and TVG has said they would meet with TOC to discuss. In accordance with the procedural process for arbitration, letters have been sent to Twinpires; and Messrs. Morris and Couto participated in a conference call with them yesterday. We will likely go to arbitration with Twinpires if progress is not made in discussions.

V. Finance Committee

A. Financial Update

Mr. Alexander congratulated Ms. Saavedra on her first financial statement. He then briefly reviewed the financial report. Mr. Morris added that he is still working with the insurance company on a reimbursement for legal costs, which will improve the expense numbers.

VI. Owner Relations Committee

A. Mr. Wellman reminded board members about tomorrow's Santa Anita Open Forum.

B. Vote on Rookie of the Year Nominees

Mr. Wellman presented three nominees that the Owner Relations committee selected for recipients of the Rookie of the Year award. On a motion by Mr. Cahill, seconded by Mr. Alexander, the board unanimously voted to approve the nominees.

C. Ed Friendly Industry Service Award

Mr. Wellman reminded directors to consider nominees for the Ed Friendly award. Mr. Pegram asked that the decision be delayed due to the status of industry issues at this time. Mr. Owens recommended that we include in our consideration service people such as the chaplain at Golden Gate Fields.

VII. Racing Affairs Committee – **Taken out of order after approval of minutes.**

A. Northern California Summer Fairs Update

Mr. Morris advised the board of a possible CHRB agenda item next week regarding adjustments to the race dates calendar. In southern California, the conflict involves timing of the Los Alamitos meet and its effect on Breeders'

Cup dates and purse revenue generation. He noted that the challenge is getting Santa Anita and Los Alamitos to sit down and work it out. Following discussion, Mr. Cahill moved to have the board direct Mr. Morris to represent TOC's opinion that the dates should go to Santa Anita with some financial compensation to Los Alamitos. On a second by Dr. Dedomenico, the motion passed with one abstention (Harrington).

Mr. Morris updated the board on a meeting held yesterday with Messrs. Baedeker, Korby, and Alkire regarding distribution of Northern California race dates. He explained that the Northern California calendar is out of balance as to how the dates fall with regard to the Fairs and Golden Gate Fields. The subject may be on the CHRB meeting agenda, and TOC will be expected to express an opinion. Following discussion, Mr. Owens suggested that staff work with Ms. Karen Ross of the CA Dept. of Agriculture, and Mr. Morris agreed to contact Robyn Black to see if she can set up a meeting. In the meantime, he will attempt to have the subject moved off next week's agenda and will keep the board up to date on any developments.

B. Vanning Proposal for Northern Fairs

Mr. Scheidt reviewed a draft proposal with input from Mr. Morris, which outlined different scenarios for potential vanning reimbursement on the summer fairs. Discussion on the history, previous summer vanning and the financial impact to the fund took place with input from Northern Directors. It was the board's consensus that staff be authorized to negotiate with the Stabling & Vanning Committee in a way that does not reward those fairs that are considered non-contributing and does not negatively impact the financial standing of the fund. The Fresno programs in 2013 and 2014 were looked upon favorably.

Mr. Wellman raised the issue of the Santa Anita Handicap purse distribution levels, which Santa Anita adjusted without discussing with TOC, adding \$10,000 for a sixth place finish, which was taken from the fourth place monies. A brief discussion ensued with no resolution.

Ms. Walsh brought up the issue of field size, and a brief discussion ensued.

VIII. Nominating Committee Report

A. 2015 Board Election Nominees

Mr. Morris reviewed candidates for the 2015 election, and he thanked Mr. Cahill, who will not be running again, for his service.

IX. Medication Committee

Mr. Morris updated the board on the recent meetings and discussions of the national horsemen's group, which TOC has joined together with to hire a Washington lobbyist. A small group met with Sen. Mitch McConnell's office to express our views regarding the involvement of USADA in our industry medication policies. Mr. Morris

will attend a meeting with Congressman Andy Barr, representative from Kentucky, in his offices on the 26th.

Mr. Morris added that we have taken a very active role in the area of national medication guidelines. The California third-party medication protocol is being written and he hopes to complete process this year. We are also working closely with THA and THC.

- X. Legislative Committee
 - A. Mr. Morris provided a brief legislative update.

- XI. Legal Update

Mr. Morris reported that the current lawsuit case, which was supposed to be heard on Feb. 25, was postponed due to court error.

- XII. Race Meet Reports

Mr. Scheidt provided brief race meet updates for Santa Anita and Golden Gate Fields to date.

- XIII. Next Meeting

The next meeting will be Friday, April 10, 2015, 11:00 a.m. at Santa Anita

- XIV. Adjournment

Mr. Morris adjourned the meeting at 12:52 p.m.