

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, July 10, 2015
Los Alamitos**

Minutes

Directors Present: Allen Aldrich, Nick Alexander, Ron Ellis (Phone), Mike Harrington, Terry Lovingier, Ed Moger (Phone), Billy Morey (Phone), Jack Owens (Phone), Mike Pegram, Bill Strauss, Kathy Walsh (Phone), and Mike Wellman.

Directors Absent: Bob Baffert, Mark Dedomenico, and George Todaro.

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

I. Call to Order

Mr. Morris called the meeting to order at 11:04 a.m. He welcomed newly elected director Allen Aldrich to the board and briefly reviewed the election results.

II. Approval of Minutes

On a motion by Mr. Strauss seconded by Mr. Harrington, the minutes of June 12, 2015 were approved unanimously.

III. Election of Officers, TOC Committees

A. Election of Officers

Mr. Morris reviewed the committee list included in the packet, noting that he had no objections to any of the committees as presented. A motion was made by Mr. Alexander to elect officers for the upcoming year as presented. The motion was seconded by Mr. Strauss and passed unanimously.

B. 2014-2015 TOC Committees

All agreed on the makeup of the remaining committees as presented in the packet.

IV. President's Report

A. Industry Update

Mr. Morris reviewed the horse counts for both regions. There was discussion regarding future plans for Galway Downs as a stabling facility, with Mr. Morris noting the capacity was 400 stalls. After discussion Mr. Pegram suggested Mr. Morris come back to the board with a recommendation and presentation.

Mr. Morris discussed the upcoming Gregson dinner honoring Mike Smith and Gary Stevens. TOC has been asked to purchase a table and ad, the same as 2014. The board agreed to purchase the table and ad for the 2015 dinner.

The board adjourned to Executive Session.

The following items were discussed in Executive Session:

- A. Update on CHRB Race Dates Meetings
- B. Santa Anita/Los Alamitos Long Term Agreements
- C. Update on Stabling and Vanning Meeting
- D. Discussion on Santa Anita/SLRD Stalls

V. ADW/Simulcast Committee

A. OTB Update

Mr. Morris noted that the Northern California OTB expansion is being delayed by CARF and that repeated attempts to move forward have stalled. He will meet with Mr. John Alkire (CARF Board and Racing Chair) one more time.

He also discussed the two new locations in the South: downtown San Diego and Norco. General discussion took place on the Hollywood Park satellite, Commerce Casino site, Lake Elsinore potential site, and Sammy's.

B. Industry ADW Update

Mr. Morris updated the board on the status of an industry ADW. He is working with Mr. Couto to address the half percent deduction to Stabling and Vanning, which will be coordinated with ADW licensing this fall.

VI. Finance Committee

A. Financial Update

Mr. Alexander reviewed the financials for the month of June and year-end balance sheet noting that we are in the black.

B. 2015 – 2015 Budget Approval

Mr. Morris reviewed the budget, including the 2014-15 numbers and the 2015-16 proposal. He indicated that the dates for 2016 have not yet been set, making the forecast difficult for January through June of 2016. He indicated that the forecast is conservative, due to the uncertainty of the 2016 race dates, while still projecting a strong year.

VII. Owner Relations Committee

A. Recap of Pleasanton Open Forum

Mr. Morris provided a brief recap of the Open Forum, noting there were 20-plus attendees as well as representatives from Golden Gate Fields, CTBA and CTT that participated in the discussion. Mr. Owens commended Mr. Pegram for attending.

B. Reminder: New Owner Seminar July 25, Del Mar

Mr. Wellman reviewed the upcoming seminar noting that the Del Mar Paddock Sale has moved one week later and the seminar followed. Mr. Morris noted the press release included in the board packet and listed the panel participants.

VIII. Racing Affairs Committee

Mr. Scheidt indicated that TOC has received the proposal packages for Santa Anita Autumn and LACF at Los Alamitos. He added that the Santa Anita proposals have been

distributed to the Racing Affairs Committee and the LACF proposals will follow as soon as possible. He noted that a conference call with the committee is scheduled for June 16th – one day ahead of the CHRB meeting. General discussion ensued. Mr. Morris noted the current Santa Anita winter-spring underpayment. Mr. Wellman asked about the LACF stakes schedule, and a brief discussion took place. Mr. Owens suggested that TOC look closely at the agreement language as it pertains to underpayments.

Mr. Morris noted that TOC plans to meet with all the Racing Secretaries this summer at Del Mar to discuss current open issues.

IX. Medication Committee

Mr. Morris spoke briefly about the third party Lasix protocol (accompanied by the proposed protocol) and indicated that he needed board input by August. He also provided a copy of the Jockey Club bill filed in Congress and spoke briefly about the uniform medication guidelines and the need for California to be on board.

X. Legislative Committee

A. I-Poker Hearing Update

A handout was distributed from the Online Poker Report detailing the impasse between California tracks and some Indian Tribes. Mr. Morris reviewed the current status of I-Poker legislation.

XI. Race Meet Reports

Mr. Scheidt reviewed the numbers from the recently completed Santa Anita, Golden Gate Fields and Alameda County Fair meets as well as the first week of Los Alamitos Thoroughbreds.

He added that he and Mr. Morris would reach out to Dr. Arthur regarding post-race veterinary exams in light of some complaints that they are inconsistent between racing associations. They will also discuss the rumor regarding amended CHRB Rule 1866 and that it will be implemented retroactively for horses going on the vet's list.

Mr. Aldrich indicated that he had witnessed post race exams and that the process is in fact different between Golden Gate and the racing fairs with regard to the post race time and surface that the horses are required to jog on.

XII. *Executive Session taken out of order from 11:16-12:20*

XIII. Next Meeting – Friday, August 14, 2015 at 11:00 at Del Mar

XIV. Adjournment

Mr. Pegram adjourned the meeting at 1:03 p.m.