

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Friday, December 11, 2015 – 11:00 a.m.  
Los Alamitos**

**MINUTES**

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

Directors Absent: Bob Baffert and George Todaro.

Staff Present: Nick Coukos, Greg Avioli, Mary Forney, Jennifer Saavedra, and Richard Scheidt.

I. Call to Order

Mr. Coukos called the meeting to order at 11:01 a.m.

II. Approval of Minutes

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

III. Executive Session

The board then adjourned to Executive Session, reconvening to full board meeting at 11:47 a.m. During Executive Session, the board considered year-end staff bonuses. On a motion by Mr. Alexander, seconded by Mr. Aldrich, bonuses were unanimously approved.

IV. President's Report

A. Industry Update / Horses Counts

Mr. Coukos informed the board that we have executed purse agreements for one year with both Santa Anita and Golden Gate Fields, which include some changes in the ADW language that will help us with the upcoming arbitration. Santa Anita requested four Arabian races this year in an effort to build a relationship with the Saudis. They are to be run only on big days and will not take the place of any Thoroughbred races. We negotiated an agreement that all wagering on those races will go to our purse account.

Mr. Coukos then informed the board that we have executed a stabling and vanning agreement for the South. Mr. Avioli added that we successfully held our ground and got the rates we wanted. Additionally, the agreement is subject to legislation passing in the South as well as results of an audit. He

also updated the board on the terms of the agreement regarding the number of days the tracks will be open before and after their meets.

Mr. Coukos reported on the November horse counts, noting that 41% of the horses in the South are two-year-olds vs. 34% last year. A brief discussion ensued regarding possible reasons for the increase in two-year-olds. Mr. Coukos then reported that in the North the number seems to have leveled off, with two-year-olds currently making up 24% of the horses.

B. Northern & Southern California Stabling & Vanning Update

This was discussed in Executive Session; however, Mr. Pegram asked the board to consider whether there was any need to change our position taken at the last meeting, at which we represented we would have 1650 stalls in the North. Mr. Coukos recommended not changing it until we get a better understanding of what the real number is, and the board was in agreement. Mr. Avioli gave a brief update on the expected events of the coming week and his discussions with the CHRB regarding the stabling and vanning legislation.

C. CHRB December Board Meeting Agenda

Mr. Coukos reviewed the agenda, noting that Agenda Item 5 regarding the license for the Golden Gate Fields meet would include discussion on stabling and vanning. At Mr. Owens' request, Mr. Scheidt explained the status of the Expense Fund.

D. NTRA Board Meeting Report

Mr. Coukos reviewed a short brief on the meeting, which was distributed to the board. In response to a question by Mr. Owens, Mr. Avioli said that NTRA is refusing to take a position on the Jockey Club / USADA proposal.

E. Racing Symposium Update

Mr. Coukos provided an update on this week's symposium in Tucson, and a brief was distributed to the board. Following discussion, it was agreed to add 2016 Priorities for TOC as an agenda item for the next board meeting.

V. ADW/Simulcast Committee

Discussed in Executive Session.

VI. Finance Committee

Mr. Alexander provided a brief financial update, noting that our balance sheet is stronger than ever. Mr. Pegram asked about status of TOC's commitment of \$150,000 for surveillance cameras, and Mr. Alexander replied that no request for funds has been received to date.

VII. Owner Relations Committee

A. Northern California Annual Meeting Recap

Mr. Coukos gave a brief recap of the Northern annual meeting, noting that there were many comments from members and the meeting went well with no negativity. There were 89 people in attendance; directors in attendance were Allen Aldrich, Ed Moger, Billy Morey, Jack Owens, and Mike Pegram.

B. Proposed 2016 TOC Events Calendar

Mr. Coukos reviewed the revised TOC events calendar, noting that board meetings had been moved from Fridays to Thursdays where possible.

C. CMC (California Marketing Committee) Update

Mr. Wellman updated the board on the recent CMC meeting, stating that he is very impressed with what has been accomplished. He then explained that the Santa Anita racing secretaries presented options for spending un-used monies including super charging purses on opening day, to which we were opposed. Although Santa Anita agreed last year to adopt the Ship & Win program for the majority of the CMC funding, they now indicated they do not want to use the funds for Ship & Win. They were asked to come back with a proposal, which we have not yet received. A general discussion ensued.

VIII. Racing Affairs Committee

Mr. Scheidt gave an update on the stakes races whose gradings were recently changed by Graded Stakes Committee, as well as the tracks' proposals to adjust the purses of those stakes. He will forward the updated stakes schedule to the full board when available. Mr. Pegram recommended we have discussions with Los Alamitos to provide input on what we would like the stakes schedule to look like for their three-week meet in April.

IX. Medication Committee

Dr. Dedomenico reported on meetings he attended in Chicago on what had been learned in Los Angeles regarding Lasix and congestive heart failure. He then reported that the Medication Committee had reviewed a request for input from the RMTC on their proposed out-of-competition testing protocols. It was the feeling of the committee that the new protocols require too much information, putting a burden on California farms and training centers by forcing them to provide electronic billing systems. A response letter to the RMTC was distributed to the board.

X. Legislative Committee

Mr. Avioli provided a brief legislative update.

XI. Race Meet Reports

Mr. Scheidt provided brief race meet reports covering Golden Gate Fields to date, Los Alamitos to date, and Del Mar final with various comparisons (enclosed in the board packet). He also noted that Sonoma County Fair has new fair manager and a new director of racing, and he will reach out to them after the first of the year.

XII. Next Meeting

The next meeting will be Thursday, January 14, 2016, 11:00 a.m. at Santa Anita

XIII. Adjournment

Mr. Coukos asked for a motion to adjourn the meeting at 1:09 p.m. On a motion by Mr. Wellman, seconded by Mr. Lovingier, the board unanimously agreed.