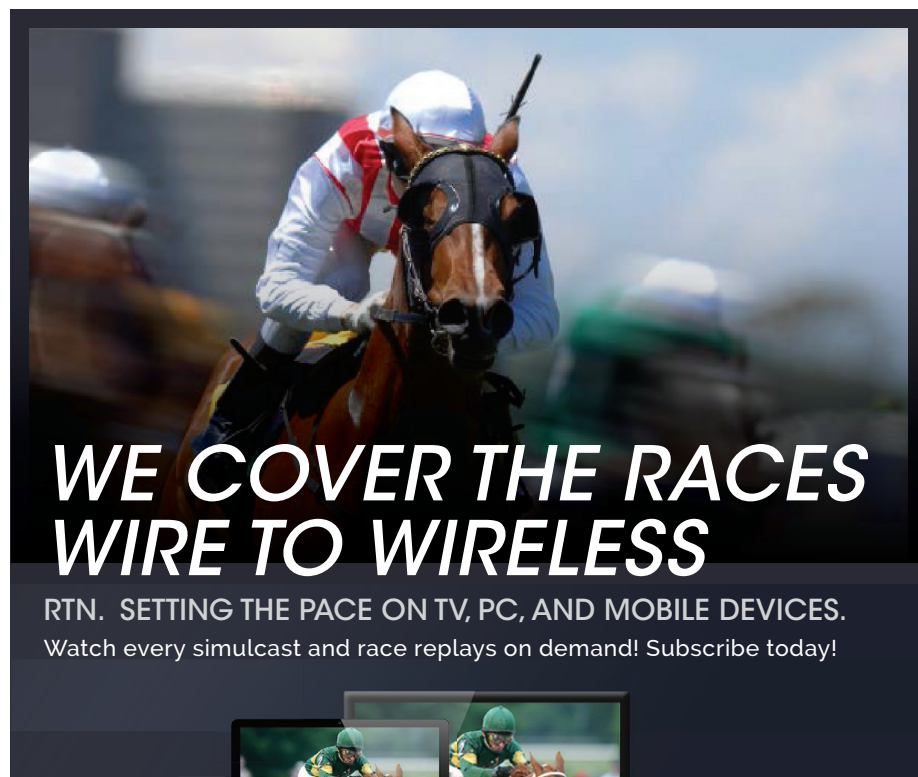


LEGISLATIVE UPDATE

Internet Poker. AB 2863 would authorize Tribes and card rooms to offer Internet Poker in California. The bill would provide for \$60 million in annual compensation for the horse racing industry to be paid from the first dollars of license fees and taxes paid by the i-Poker operators. The bill is working its way through the Assembly before being taken up by the Senate. The TOC supports the bill in its current form.

Daily Fantasy. In February the Assembly passed AB 1437 (Internet Fantasy Sports Game Protection Act) that would create a regulatory framework authorizing Daily Fantasy Sports contests in California. The legislation has now moved to the Senate Governmental Organization Committee. There continues to be strong opposition to AB 1437 from Tribal leaders. While the TOC has not taken a formal position on the legislation, we have discussed with leaders in the Assembly and Senate our concerns regarding the potential impact of AB 1437 on ADW.

Sports Wagering. AB 1573 was introduced in January to legalize online sports wagering in California, at such time as federal laws are changed to allow state authorized sports betting. There has been no other action on the bill and it appears unlikely it will move forward in the 2016 session. The TOC has not taken a public position on AB 1573. We have indicated our support for a sports wagering bill that would be limited to existing gaming operators at brick-and-mortar facilities.



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Track Reports (Purse Generation)

SB 1072 Purse Revenue accounts for over 19% of total purses at Santa Anita and 17% at Golden Gate.

Santa Anita - Total Purse Rev Generated - Total Rev Producing Handle

December 23, 2015 - March 27, 2016	2016	2015	Diff \$\$	Diff %
Total Purses Generated	\$25,482,712	\$26,488,048	-\$1,005,336	-3.80%
Total Revenue Producing Handle	\$555,966,526	\$574,279,948	-\$18,313,422	-3.19%
Race Days	55	56	-1	-1.79%

Golden Gate Fields - Total Purse Rev Generated - Total Rev Producing Handle

December 23, 2015 - March 27, 2016	2016	2015	Diff \$\$	Diff %
Total Purses Generated	\$7,227,367	\$7,403,946	-\$176,579	-2.38%
Total Revenue Producing Handle	\$157,590,164	\$157,000,919	\$589,245	0.38%
Race Days	54	56	-2	-3.57%

Data from CHRIMS

LEADING OWNERS FROM THE SANTA ANITA MEET December 26, 2015 – March 28, 2016

MOST WINS		MOST STARTS		MOST EARNINGS	
1	Hronis Racing LLC 11	1	Reddam Racing LLC 59	1	Tarabilla Farms, Inc. \$678,100
2	Reddam Racing LLC 9	1	DP Racing, LLC 59	2	Hronis Racing LLC \$634,544
3	C R K Stable 5	3	Hronis Racing LLC 49	3	Reddam Racing LLC \$601,788
3	Kaleem Shah, Inc. 5	4	Rockingham Ranch 40	4	Stonestreet Stables LLC \$484,644
3	Tommy Town Thoroughbreds LLC 5	5	David Jacobson 38	5	C R K Stable \$457,728
3	Wilson, Holly and David 5				
3	Kretz Racing LLC 5				

Statistics generated from Equibase.com

LEADING OWNERS FROM THE GOLDEN GATE MEET December 26, 2015 – March 28, 2016

MOST WINS		MOST STARTS		MOST EARNINGS	
1	Lanning, Curt and Lila 7	1	Saratoga West 33	1	Reddam Racing LLC \$188,442
2	Daniel O'Neill 6	2	Steve Moger 32	2	Lanning, Curt and Lila \$150,545
2	Victor Trujillo 6	3	Daehling, Joe and Evans, Holly 31	3	Daniel O'Neill \$89,002
4	Saratoga West 5	3	Kings River Ranch 31	4	Williams, Mr. and Mrs. Larry D. \$84,199
		5	Lanning, Curt and Lila 29	5	Daehling, Joe and Evans, Holly \$81,728

Statistics generated from Equibase.com

U.S. Thoroughbred Racing Economic Indicators

Indicator	Feb-16	Feb-15	% Change
Wagering on U.S. Races*	\$812,868,874	\$763,762,376	6.43%
U.S. Purses	\$62,301,741	\$60,855,500	2.38%
U.S. Race Days	264	277	-4.69%

Indicator	YTD 2015	YTD 2014	% Change
Wagering on U.S. Races*	\$1,643,395,765	\$1,576,225,722	4.26%
U.S. Purses	\$125,312,229	\$126,882,244	-1.24%
U.S. Race Days	545	583	-6.52%

*Includes worldwide commingled wagering on U.S. races. Data from Equibase.

CA Thoroughbred Racing Economic Indicators

Indicator	Feb-16	Feb-15	% Change
Wagering on CA Races	\$143,026,200	\$152,330,139	-6.11%
CA Purses Generated*	\$9,305,851	\$9,829,716	-5.33%
CA Race Days	32	32	0.00%

Indicator	YTD 2016	YTD 2015	% Change
Wagering on CA Races	\$325,236,337	\$329,625,714	-1.33%
CA Purses Generated*	\$20,469,274	\$20,821,648	-1.69%
CA Race Days	70	70	0.00%

All Data from CHRIMS

* Figures for wagering on CA races are from all locations ADW and Brick and Mortar on the CA live Thoroughbred races.

*CA Purses Generated are TOTAL all source purses generated and do not directly correlate to the handle figure, wagering on CA Races.

Annual Owner Awards Announced

Congratulations to TOC's 2015 Owner Awards winners! Winners qualified in four statistical categories: earnings, starts, wins and stakes wins. **Reddam Racing LLC** was leading owner in purse money won in California with earnings of \$2,922,316 as well as leading owner for number of wins (49) in California. The partnership of **Karl Watson, Mike Pegram and Paul Weitman** led all owners by number of stakes wins (10). And **Kings River Ranch** led all owners by number of starts in California in 2015 (296).

Congratulations are also in order for newcomers **David and Mark Greco, Patrick Grohl** and **Brent Malmstrom** who were selected as TOC's Rookies of the Year.

All winners will be honored at TOC's annual meetings at Del Mar in August and Golden Gate Fields in October. For more information, visit www.toconline.com.



TOC Board Election News

There are seven candidates running for five open seats on the TOC board this year. They are incumbents Nick Alexander, Ron Ellis, Billy Morey, and Samantha Siegel, and new candidates Rick Bengson, Joe Ciaglia and Peter Jeong. The five successful candidates will be elected for three-year terms.

Ballot materials for the 2016 Board of Directors election will be mailed out to all members on May 15th. To be counted, returned ballots must be postmarked by no later than June 15th. An independent auditor will complete the vote count by June 21st, and the vote will be reported by July 1st, at which time the newly elected directors will assume office.

Please check your mailbox next month for the ballot, vote for the candidates who you believe will best represent your interests as a Thoroughbred owner, and return the ballot in the envelope provided to True Ballot Inc.

PURSE COMPARISON

CONDITION	Santa Anita	Los Alamitos	Churchill
NW2X	\$60,000	\$50,000	\$44,800
NW1X	\$58,000	\$46,000	\$43,200
MSW	\$56,000	\$45,000	\$41,600
Claiming \$25,000	\$32,000	\$26,000	\$32,000

CONDITION	Golden Gate	Emerald Downs	Turf Paradise*
NW2X	\$29,000	\$21,000	\$17,500
NW1X	\$27,000	\$20,500	\$15,000
MSW	\$26,000	\$18,500	\$12,500
Claiming \$25,000	\$23,000	\$16,600	N/A

CONDITION	Aqueduct	Oaklawn
NW2X	\$75,000	\$80,000
NW1X	\$72,000	\$79,000
MSW	\$70,000	\$76,000
Claiming \$25,000	\$47,000	\$34,000

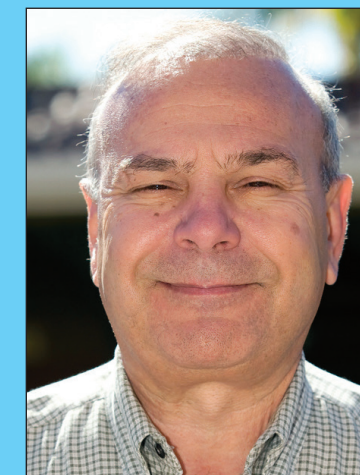
Data from Equibase Condition Books. Turf Paradise MSW optional Claiming \$30K
Oaklawn Purses include Instant Racing Revenue
Purses do not include any State bred incentives or supercharged promo days



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Spring 2016

PRESIDENT'S REPORT



To say that my first three months as President of the TOC has gone by quickly is an understatement. Every day brings new twists and challenges as the landscape of Thoroughbred racing in North America, and specifically in California, is ever-changing.

In California we have two very distinct racing zones in the South and the North, each requiring a high level of attention and presenting challenges that are not always parallel. Taking into consideration such differences, we must work closely with our industry partners – our regulator, track operators, breeders and trainers – to integrate horse racing in the new age. We need to continue to engage in dialogue on areas of mutual interest. Only through discussion, and in many cases difficult discussion, can we accomplish a great deal.

One of the main topics for discussion is where we need to be with stabling and vanning. In the South, with two years behind us since Hollywood Park closed, we need to evaluate whether we have taken the right path. Has the reshaping of our industry in this respect paved the way for California horse racing to work towards an acceptable modernization framework that lays a foundation for our future success? Many would say that the course we are on needs to be re-evaluated. To such end, the TOC is in the process of working with our partners to find a more efficient and effective model for stabling of our horses on a fiscally responsible basis. In the North the issue may not be as complex, but there is no question that the ramifications are just as important to the long-term viability of California racing.

We appreciate your input on this very important matter. Please do not hesitate to drop me a line or just come in to see me to discuss further.

Sincerely,

Nick Coukos

IMPORTANT DATES

- April 23:** Open Forum at Los Alamitos.
- May 14:** Conformation Clinic at Santa Anita.
- June 15:** Postmark deadline for TOC 2016 board election ballots (mailed May 15).
- June 18:** TOC Open Forum, Pleasanton Satellite Wagering Facility.

For information on these and other TOC events visit www.toconline.com or call (626) 574-6620.