

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Thursday, November 10, 2016 – 11:00 a.m.  
Del Mar Thoroughbred Club**

**MINUTES**

Board Members Present: Allen Aldrich (by phone), Nick Alexander (by phone), Joe Ciaglia, Ron Ellis (by phone), Gary Fenton, Mike Harrington (by phone), Ed Moger (by phone), Jack Owens (by phone), Mike Pegram, Samantha Siegel (by phone), and Bill Strauss.

Board Members Absent: Bob Baffert, Mark Dedomenico, Terry Lovingier, and Kathy Walsh.

Staff Members Present: Greg Avioli, Mary Forney, and Liz Morey (by phone).

I. Call to Order

The meeting was called to order by Mr. Avioli at 11:02 a.m.

II. Approval of Minutes

On a motion by Mr. Alexander, seconded by Mr. Fenton, the minutes of September 15, 2016 were unanimously approved.

III. Executive Session

The board adjourned to Executive Session.

IV. CMC Restructuring

Upon reconvening to full session, Mr. Avioli reviewed the CMC proposed restructuring plan. Among the recommendations is the funding of the various significant player rebate programs through CMC, which would provide a structured way for TOC to participate with the tracks in these programs. Mr. Pegram requested that staff research whether there was an opinion from the CHRB on funding of the Ship and Win program. Mr. Alexander made a motion to move forward with restructuring of the CMC along the lines of the terms outlined in the proposal. The motion was seconded by Mr. Ciaglia and carried unanimously. The board affirmed the decision of the Executive Committee to name Mr. Lovingier as the TOC representative on the CMC board.

V. CHRB Board Meeting Agenda

Mr. Avioli informed the board that a CHRB Race Dates Committee meeting was scheduled for next Wednesday followed by a CHRB Board meeting on Thursday. He said the two main issues impacting us are the proposed un-overlapped week at Ferndale and the assignment of the two former Stockton weeks to Pleasanton or Golden Gate Fields. He said that the issue of the un-overlapped week was addressed in Executive Committee and that the CHRB was subsequently notified of our opposition to any un-overlapped weeks because of the cost to purses.

Following discussion, it was the board's general consensus that TOC maintain a neutral position on the Pleasanton dates and oppose un-overlapped dates at Ferndale, which would be a continuation of our current position.

VI. Committee Reports

A. Finance/Compensation

Mr. Alexander provided brief report of first quarter results. He noted that the audit is in process, and he expects to have results shortly. Mr. Owens requested that staff add a review of TOC's corporate insurance to the December agenda.

On a motion by Mr. Alexander, seconded by Ms. Siegel, the board unanimously approved the donation of \$10,000 to CTT for the backstretch Christmas party.

B. Wagering & Legislative

Mr. Avioli provided a brief update on recent discussions of tribal relations in the context of ongoing iPoker discussions and the interest by a number of Tribes to open satellite wagering facilities.

Mr. Avioli informed the board that Santa Anita just completed a soft launch of a "free play" daily fantasy football contest. Santa Anita has also contacted Del Mar asking them to continue the program at their Fall meet. Mr. Avioli is drafting a letter to Santa Anita and Del Mar with TOC's position that, to the extent any form of daily fantasy sports that requires paid consideration by the participant as a condition of entry is offered at a California track, TOC will insist on revenue sharing consistent with the underlying premises of the revenue sharing between tracks and horsemen for pari-mutuel wagering

Mr. Avioli then reviewed a draft letter to TOC members regarding a stallion season auction run by CTBA, in which TOC has been offered the opportunity to participate with all funds raised from TOC member donations going to support the TOC PAC.

C. Owner Relations

The minutes of the October 13, 2016 Owner Relations Committee were enclosed for board review.

D. Racing Affairs

i. Horse Counts

Mr. Avioli reviewed the horse counts North and South, which were provided to the board members.

ii. Racing Secretaries Meeting

Mr. Avioli reported on a recent meeting with the racing secretaries from Santa Anita, Los Alamitos, and Del Mar. Among the topics discussed were the need to coordinate the year-round stakes

program, mutual cooperation in the transition from meet to meet, and methods for identifying starts per stall. It was agreed to work towards a goal of having starts per stall data easily accessible by the end of 2017, with TOC staff taking the lead in the endeavor.

iii. Race Meet Reports

Mr. Avioli informed the board that we are in the process of completing the race meet agreement with Santa Anita for its 2016-17 winter-spring meet.

Mr. Avioli said Mr. Morris has requested that TOC consider allowing \$6,250 claiming level races for that meet as a way of increasing field sizes at the bottom level. A discussion ensued regarding the rationale for trying it on an experimental basis and the possible effects on the Golden Gate Fields and Los Alamitos meets.

Mr. Ellis made a motion to approve a four-month experiment, four races per month, and evaluate the impact. The motion was seconded by Mr. Fenton and passed with seven yeases (Ciaglia, Ellis, Fenton, Moger, Owens, Pegram, Strauss) and four nays (Aldrich, Alexander, Harrington, Siegel).

Per board request, an analysis of Del Mar's Ship & Win program was provided to the board. Following review of the data, Mr. Pegram requested that staff obtain additional information including type and level of races, field sizes, and next starts for Ship & Win participants. It was also suggested that a Del Mar representative attend the December board meeting to make a presentation and answer questions about the program.

Following a question about the likelihood that yearlings are stabled at San Luis Rey and Galway, Mr. Avioli said the question would be brought up at the upcoming Stabling & Vanning committee meeting and he will report back to the board.

VII. Next Meeting – Friday, December 9, 2016

Following a brief discussion about the location for the December board meeting, it was decided that staff will poll the board members about their preference.

VIII. Adjournment

Mr. Avioli adjourned the meeting at 12:50 p.m.