

TOC Board Election Process Begins



The nomination process for candidates for the TOC board begins this month. There are two ways that members may qualify for the ballot – nomination by the nominating committee or nomination by petition.

To qualify for board service, an individual must hold a current California Horse Racing Board (CHRB) owner's license, own at least 25% of a Thoroughbred racehorse, have started a horse or horses a minimum of six times in California during the prior calendar year, and be a member in good standing.

TOC Board member duties include attendance at monthly board and committee meetings and periodic attendance at CHRB and/or other industry events. Board members receive no compensation for their service, though reimbursements for necessary travel and lodging expenses are made.

There are a total of 15 directors on TOC's board, with members serving three-year staggered terms, such that five seats are up for election each year. According to TOC bylaws, at least two but no more than six directors must be from the owner/trainer class of members; of the owner/trainer directors, at least one must be from the Northern Zone and at least one must be from the Southern Zone; and at least three of the total number of directors must be from the Northern Zone at any given time. All qualified members, regardless of membership class as defined in TOC Bylaws, shall have the right to vote for nominees from both the owner and owner/trainer classes of members.

To Qualify by Nomination: Owners interested in serving on the board should submit a letter to the nominating committee by February 1, including the reasons for wishing to serve on the board, confirmation of eligibility for the board, and a biographical statement. If sent by mail, these materials should be addressed to the TOC Nominating Committee, 285 W. Huntington Dr., Arcadia, CA 91007, and postmarked by February 1. Those expressing interest will be informed of the committee's decision by March 1, with announcement of the nominees made soon thereafter.

To Qualify by Petition: Those seeking to run for the board through the Petition Process must qualify by obtaining 50 signatures from current TOC members supporting the candidacy on a petition issued by TOC. To obtain the petition form, contact TOC's Santa Anita office at (626) 574-6620. The deadline for filing a completed petition is March 1.

Ballots and candidate statements are mailed out to all TOC members on May 16. The postmark deadline for returned ballots is June 15, and the newly elected board members will take office on July 1.

IMPORTANT DATES

- February 4:** Tax Seminar for Horse Owners, Santa Anita Racetrack.
- March 1:** Deadline to file completed petitions, for those seeking to qualify for the 2017 board election by the petition process. Petition forms are now available at the TOC offices.
- April 22:** Open Forum at Santa Anita.
- May 13:** Conformation Clinic at Santa Anita.
- June 24:** Open Forum at Pleasanton.

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

TOC Board Member Terry Lovingier Spearheads "We Care" Campaign



The TOC Owner Relations Committee, under the direction of chair Terry Lovingier, is moving forward with the production and distribution of a series of short videos highlighting the people and programs dedicated to providing care, kindness and a good life for our racehorses. The ultimate goal is to inspire people everywhere to take and submit their own short videos, eventually becoming part of a widespread online media campaign.

"We often hear people talk about the faults and problems in our industry, but this is a chance to highlight all of the good things we do," said Lovingier. "These 30-second vignettes will not only be shown

on our website, but can also be shown at the tracks between races and posted on social media sites. With some work," continued Lovingier, "we can create a groundswell of good publicity and good feelings about our relationship with our equine friends."

The videos will focus on such subjects as the birth of a foal, the humans who touch and interact with our horses on a day-to-day basis, and the re-careering of racehorses.

TOC will be joined by TVG and the California tracks in the production and distribution of the videos. The TOC Owner Relations Committee includes board members Allen Aldrich, Gary Fenton, Samantha Siegel, and Kathy Walsh. Watch for announcements about the campaign on our website, www.toconline.com.

Terry Lovingier has served on the TOC board since 2013 and also serves on the Racing Affairs Committee. He owns and operates Lovacres Ranch east of Temecula, which encompasses over 500 acres and where he stands several stallions including Awesome Gambler, Empire Way and Swiss Yodeler. He campaigned G1 Santa Anita Oaks winner Willa B Awesome.

Help Us Serve You Better

In order to more effectively reach all of our members with important information about industry issues and events, we are attempting to build up our membership email list. If you do not already receive TOC emails, please take the time to sign up online at the TOC website (www.toconline.com).

TOC is very serious about protecting the confidentiality of our members' contact information, so we never give or sell our email list to any other party. We also strictly protect our members' mailing addresses and telephone numbers.

Communicating with our membership by email is an important way for us to keep you informed and up to date on issues that affect purses and have an impact on you as an owner, as well as let you know about upcoming TOC seminars and events you won't want to miss.

Hurry and Sign Up for a Chance to Win Official Breeders' Cup Logo Merchandise!

The first 50 people to sign up for a new email account beginning February 1 at www.toconline.com will receive a gift of an official piece of Breeders' Cup logo merchandise. Gifts include caps, bottle openers, key chains and official Breeders' Cup posters.

Don't delay! Visit www.toconline.com, sign up to receive member email notifications, and have a chance to win a piece of Breeders' Cup history. If you are one of the first 50 people beginning February 1 to register, you will be promptly notified.

Good Luck!

CHAIRMAN'S LETTER

By Nick Alexander



Last month, I was elected by the board as its chairman replacing Mike Pegram, who stepped down after serving six years in that capacity and will remain on the board. Mike was an exceptional chairman, and it will be a huge challenge to fill his shoes. I look forward to working with our president and CEO, Greg Avioli, and the full board to fight for the long-term viability, survival and success of our beloved sport.

For my first Chairman's Letter, I can tell you that 2016 was a very busy year, during which we achieved the majority of the goals set by the TOC Board at the end of 2015. Those achievements included:

- Securing a more equitable financial model for owners and purses from on-track ADW wagering.
- Leading negotiations resulting in a three-year racing calendar and stabling agreement in Southern California that provides much needed stability.
- Reaching an agreement with Golden Gate Fields for the track to stay open for year-round training in Northern California - including during the summer fair meets.
- Upgrading several major existing satellite wagering facilities in Southern California and laying the groundwork for multiple new facilities in 2017.
- Passing legislation in Sacramento allowing for more funding and flexibility for stabling and vanning.

In 2017 we will continue our efforts in Sacramento to secure legislation to provide a new source of revenue for purses. The 2016 Internet Poker legislation would have provided \$60 million in new revenues to the California horse racing industry. This bill was approved by two major Assembly Committees but was unable to get through the full Legislature. We expect this legislation will be up for consideration again in 2017 along with proposed legislation to authorize Fantasy Sports Wagering. We will continue to condition our support for either legislative initiative on fair compensation to the horse racing industry.

On the medication front, the CHRB last month introduced new regulations to apply existing race day medication rules to all horses running timed workouts at tracks or authorized off-site stabling facilities. The intent of the rule is to reduce the number of injured horses training on medications that could mask pain or injury. The TOC Medication Committee chaired by Dr. Mark Dedomenico is currently reviewing the proposed regulations to better understand the feasibility, scope, costs and potential unforeseen consequences.

On the racing front, we are now meeting monthly with track management and racing secretaries to identify implementable solutions to increase field size and keep more horses racing longer in California. This includes a focused effort to obtain accurate data for all horses allocated stalls in California in order to better understand the return to the industry for providing free stabling at tracks and approved auxiliary training facilities. We also will closely monitor the horse population in Northern California to make sure we have sufficient stabling for all the horses in training particularly when the two-year-olds arrive in the coming months.

We very much appreciate the opportunity to represent all TOC members and look forward to your input. Please feel free to call me directly with any questions, comments or suggestions over the next year at (323) 353-2030.

ADW and Simulcast Matters

by Jack Owens



One of the most vital functions of the TOC is to monitor the negotiations between the California racetracks and those entities accepting wagers on our races, including out-of-state tracks and off-track betting facilities and advance deposit wagering (ADW) providers. By statute, TOC has the authority to approve all out-of-state simulcast rates – the fees charged to those entities outside of California to offer our races for wagering. In addition, we have the authority to approve the California ADW hub fees – the fees retained by ADW providers on wagers made by California residents on California races.

The TOC's negotiations with the signal providers are handled by our president Greg Avioli and our chairman. They work closely with our ADW/Simulcast Committee.

That committee consists of Joe Ciaglia, Gary Fenton, Samantha Siegel, Bill Strauss, TOC staff and me as committee chair. The role of that committee is to make recommendations to the full board, which has the ultimate approval authority.

High on our radar has been the TOC initiative to secure a more equitable financial model for owners and purses from on-track ADW wagering. This is important because the amount of handle that goes to purses from an on-track wager is substantially higher than the amount of purses contributed from an ADW wager (approx. 9.25% on track vs. 6.84% for ADW). So every time you see someone using their phone to make a wager at the racetrack, that results in less money going to purses than if that same customer had bet through the window.

We successfully negotiated with the ADW companies to begin geo-locating their customers at the time they make wagers in California and to report to the TOC and CHRB all ADW wagers that are made from customers physically present at the racetracks on live racing days. Based on this data, the ADWs will return roughly 70% of their hub fees from on track ADW wagering to purses and commissions. While this agreement was reached on a contract basis with the ADWs for 2017 and 2018, we are working with the CHRB to formalize the agreement with a permanent geolocation regulation to be enacted in 2017.

On the simulcasting front, TOC approved simulcasts to more than 1,600 total outlets worldwide wagering on California Thoroughbred races in 2016. Total simulcast wagering outside of California on our product was nearly \$1.2 billion.

For more information about ADW or simulcast issues, feel free to contact Greg Avioli at (859) 621-6864 or Mary Forney at (626) 574-6617.

Jack Owens is a long-time TOC board member, Northern California vice-chair and former board chair. He also serves on the Northern California Racing Affairs, Legislative, and Compensation committees. An owner and breeder of Thoroughbreds for more than 30 years, he races predominantly in Northern California.

TOC OFFICE MOVE AT GOLDEN GATE FIELDS

We are pleased to announce that the Northern California TOC administrative office has moved to a new location in the Executive Offices at Golden Gate Fields. The new location is easily accessible from the bayside entrance to the Executive Offices (by the Park and Lock parking lot). We look forward to welcoming you in the new office!

We are also excited to offer an improved experience in the TOC Owners' Lounge with the relocation of Vassar Photography. Stop by the convenient location between the Winners' Circle and the Paddock to order your win photos and enjoy your race replay while you wait!

Contact TOC Northern California Liaison Liz Morey with any questions or for a tour of the new office at Lmorey@toconline.com or (510) 559-7521.

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TOC Board Member Updates

At its December meeting, the TOC board unanimously elected **Nick Alexander** chairman. Alexander replaces **Mike Pegram**, who will remain on the board and executive committee but is stepping down after serving as chairman for six years. Alexander is the founder of Nick Alexander Imports and operates a horse ranch in Santa Ynez. He has raced Thoroughbreds in California for 38 years, and his homebred stallion Grazen is one of the top ten on the Lifetime Stallion Leaders list. He has been on the TOC board since 2013, serving as its Secretary/Treasurer and head of the finance committee.

Pegram has worked tirelessly for the interests of California owners since he joined the board in 2010, inspiring his fellow board members and bringing a common sense approach that has helped to unify our industry. He has operated a Thoroughbred stable for more than three decades, racing several champions including Real Quiet, Silverbulletday, Midnight Lute and Lookin At Lucky.

The board also appointed a new member, **Gary Fenton**, in September to fill a vacancy created by the resignation of Billy Morey. Fenton is managing partner of Little Red Feather Racing, one of California's leading owners with over 40 horses and 300 active partners. He hit the ground running and is active on the Owner Relations and ADW/Simulcast committees.

Congratulations are in order for board member **Joe Ciaglia**. With partners Exline-Border, Gulliver Racing, S. Alesia, R. Christensen & T. Legan he won the Breeders' Cup Juvenile Fillies with Champagne Room, ridden by Mario Gutierrez and trained by Peter Eurton.