

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Thursday, November 14, 2019
11:00 a.m.
Del Mar Thoroughbred Club**

MINUTES

Directors Present: Nick Alexander, Allen Aldrich, Bob Baffert (by phone), Jeff Bloom, Joe Ciaglia, Gary Fenton, Rick Gold, Bob Liewald, Terry Lovingier (by phone), Ed Moger (by phone), Jack Owens (by phone), Richard Rosenberg, Samantha Siegel (by phone), and Bill Strauss.

Directors Absent: Mike Harrington

Staff Present: Greg Avioli, Mary Forney (by phone), Elsa Peron, and Patricia Chinnici (by phone),

Guests Present Craig Fravel, Aidan Butler (by phone), Josh Rubinstein, Michael Lyon.

I. Introduction of New Board Members

Mr. Avioli introduced and welcomed new board members Richard Rosenberg and Jeff Bloom.

II. Presentation by Messrs. Fravel and Butler

Mr. Avioli updated the board on his recent discussions in Sacramento regarding the current status of racing in California. Mr. Fravel spoke to the board on behalf of the Stronach Group regarding Santa Anita's response to the issue of horse fatalities. He discussed the importance of all industry partners going to Sacramento as a united front. A lengthy discussion ensued.

Mr. Fravel then reviewed and explained the research being done according to an agreement the Breeders' Cup and Keeneland negotiated with crisis management firm Glover Park Group, a copy of which was provided to the board.

III. PostTime Presentation

Mr. Avioli introduced Mr. Lyon of PostTime Self Insurance Group, who addressed the board regarding the state of the workers' compensation insurance business in California. He noted that as of 9/30/18, due to net losses for 2017 and 2018, PostTime will require \$2.6 million be contributed to the program to maintain the necessary state certification. At present, they have asked CTBL to contribute \$660,000, and will ask the trainers to contribute \$2 million. He noted there was real concern as to whether the trainers would, in fact, agree to fund the \$2 million. In addition, to cover 2020 costs PostTime is projecting an increase in contributions needed from owners and trainers as follows: trainer stall premium to increase from \$3.05 to \$3.70 per stall per day; owner premium to increase from \$106 to \$120 per start.

Mr. Avioli noted that the CTBL board had previously indicated its willingness to fund the \$660,000 from its reserves but had yet to discuss funding the additional \$2 million in the event the trainers do not fund that portion. He added that the CTBL board recently voted to provide 10% of its \$6 million reserves to PostTime.

IV. Approval of Minutes

On a motion by Mr. Fenton, seconded by Mr. Alexander, the minutes of October 18, 2019 and November 5, 2019 were unanimously approved.

V. B.C. Aftermath / Glover Park

Mr. Avioli updated the board on a request to contribute to the Glover Park national research and public relations campaign. He noted we are waiting for a specific funding proposal, which will be brought before the executive committee.

VI. Santa Anita / GGF Outstanding Issues re Horsemen's Agreements

Mr. Avioli updated the board on the present status and outstanding issues regarding the Santa Anita and Golden Gate Fields race meet agreements. Mr. Avioli then reviewed the Santa Anita purse account status. Mr. Fenton reviewed the draft Santa Anita purse proposals for the upcoming meet. Mr. Avioli indicated that a special board call may be held next week to review the final Santa Anita purse proposals once received as well as any other outstanding issues in the horsemen's agreement. Mr. Fenton added that we will be requesting Santa Anita to card the number of races per week according to the horse population.

Mr. Avioli then updated the board on a proposal from Santa Anita to train only at Santa Anita and SLRD and not list Los Alamitos as an auxiliary stabling location during their upcoming winter-spring meet. He recommended that TOC support the use of Los Alamitos and honor the existing contract between Stabling & Vanning and Los Alamitos. Additionally, we may be able to get Los Alamitos to take a lower daily rate for the stabling.

Mr. Avioli informed the board regarding an agreement we signed last year with TSG regarding a series of medication reforms including Lasix. We have publicly stated that we disavow that agreement beyond the end of this year; however, the agreement does not have a specific term. If the board approves, Messrs. Avioli and Fenton would propose to TSG that we continue the corticosteroids protocols, with the Lasix rule contingent on Kentucky and New York adopting the same rule. A discussion ensued regarding TOC approval of the medication protocols in conjunction with our race meet approval.

A further discussion ensued regarding negotiations with Santa Anita regarding the racing surface and what leverage TOC has in that regard with the horsemen's agreement.

It was suggested that another board call be held on Monday to revisit all of these issues.

VII. CHRB Update / Agenda

Mr. Avioli updated the board on a recent meeting with Secretary Podesta and discussions regarding changes in the CHRB. He noted that there is the possible addition of a new rule regarding the riding crop.

Mr. Avioli reported that we expect proposals from the new chair to prohibit horses from running on wet tracks and extending the stand down time for corticosteroids before training and racing. The board agreed to wait until it has specifics on all proposals before taking any action.

VIII. Legislative Report

A. Sports Wagering Legislation

Mr. Avioli reviewed the proposed ballot initiative on sports wagering, which was provided to the board.

B. Federal Legislation

Mr. Avioli reviewed a memorandum from the NTRA, which was provided to the board.

IX. Finance Committee

Ms. Chinnici provided a report on the October and year-to-date financials.

X. Racing Affairs

A. Purse Account Status Statewide

An updated purse account status report was provided to the board.

B. October Horse Counts

Mr. Avioli reviewed the horse counts.

XI. Adjournment

The meeting was adjourned at 1:25 p.m. The board will reconvene by phone on Monday.