



TOC

Thoroughbred
Owners of
California

Winter Newsletter

January 2021

President's Letter



Greg Avioli

There is light at the end of the tunnel. Having survived the trials and tribulations of 2019, too quickly followed by COVID-19, the California Thoroughbred industry has its sights on a bright immediate future.

In early January the TOC announced a landmark agreement with TVG and the Stronach Group's 1/ST racing to contribute a minimum of \$7.75 million into California Thoroughbred purses in 2021 and a comparable amount in 2022. These contributions will increase statewide purses to over \$100 million, making California competitive with every other major racing market in the U.S. without any government subsidies. Please read more details regarding the TOC's purse generation efforts spear-headed by TOC Board member Bob Liewald on page 2 of this newsletter.

The safety and welfare initiatives that the TOC began in partnership with The Stronach Group in the spring of 2019 have led to a remarkable decrease in serious injuries at California tracks and training centers. Furthermore, most of these reforms have now been recognized and adopted across US racing jurisdictions.

The 38th edition of the Breeders' Cup World Championships returns to Del Mar on November 5-6, 2021. With Del Mar coming off hugely successful Summer and Fall meets in 2020, the 2021 Breeders' Cup is expected to attract a record number of top horses from across the US and around the globe, many of whom will likely stay in California following the Championships for the remainder of the Del Mar Fall meet and the 2021-22 Santa Anita Winter/Spring meet.

2021 will also be a very busy time for the TOC and our regulatory agency, the California Horse Racing Board (CHRB), as we work together to prepare for the implementation of the federal Horseracing Integrity Act, signed into law in the final days of 2020 and with an official "start date" of July 1, 2022. Per our previous communications to TOC members, this new federal law aims to significantly improve the level of drug testing and enforcement in partnership with the U.S. Anti-Doping Agency (USADA).

TOC will also be working with our members, racetracks and trainers to develop a new and more efficient stabling and training model in Southern California. Please stay tuned for more information on this initiative starting with a TOC member conference call in the coming months.

Thank you on behalf of the TOC board, management, and staff for your dedication to the industry and continued love and care of your horses.

"When you really analyze this deal, this is one of those genuine win-wins. Stronger purses day in and day out turn into higher field sizes, which lead to more wagering for the ADWs, more commissions for the racetracks, and more purses for the horsemen. It's a virtuous cycle,"

*– Greg Avioli in BloodHorse,
Jan. 13, 2021.*

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Let's Hear it for the Girls!

AN INTERVIEW WITH TOC DIRECTOR STEPHANIE HRONIS

By Mary Forney



TOC Director Stephanie Hronis

Stephanie Hronis was appointed to the TOC Board of Directors in September 2020. TOC members are very familiar with the Hronis name. With her husband Kosta and his brother, Pete, Hronis Racing has consistently earned leading California owner awards over the last five years. As a representative of California owners, Stephanie has proven to be committed, engaged, intelligent, and sympathetic to

the needs of the membership, while at the same time embodying an amazing natural kindness.

Stephanie grew up on a dairy farm, but her journey in Thoroughbred racing began when she met her husband, Kosta, in 2012.

“He had 19 horses at that time, and we would go to the track on the weekends. It was a big part of his life, and it became a big part of both our lives.” Like many in our great sport, she is enthralled with the history of horseracing and its many stories. But she acknowledges that what really “hooked” her on horseracing was spending time at the barn, which she dearly misses during these restrictive pandemic times.

“I am in awe of everything that goes on to make it all work to get a horse to the track,” she said. “There are just so many layers. The routine, care, and relationships make the backside such a special place. The track is where we spend a big part of our lives, and I have great respect for the hard work done by so many people to make a race day happen.”

“I gravitate toward the fillies – Iotapa, Stellar Wind, Artistic Diva,” she added. “I love how they can be so feminine and dainty in the barn, then you see them racing, and they turn into an intense competitor! This whole other side of them comes out.”

Racing has traditionally been a male-dominated sport, but Stephanie Hronis is quick to recognize those women in racing who have inspired and encouraged her.

“I am grateful to the women who have directly and indirectly ushered me in,” she told me. “There are many unsung heroes who have influenced me, including Connie Broge, Rayetta Burr, Jenine Sahadi, Mary Forney, Amy Zimmerman, Amy Atkinson, Angie Carmona, Christina Blacker, Millie Ball, and Jodie Vella-Gregory, just to name a few. I consider them all to be leaders,” she added. “The men couldn’t accomplish what they do without them.”

“I would like to find ways to attract more women into racing,” she said. She hopes to encourage interested women, particularly wives/partners of current owners who might not currently come to the track.

She recalled her own initiation to the races: “I spent my weekends with Kosta and (trainer) John Sadler. They made a good effort to make me feel comfortable, which was a good idea because as the saying goes, ‘happy wife...’ Kosta is a great teacher and loves to explain things. I could ask him 5000 questions!”

“When other women ask me how they can get involved,” she continued, “the first thing I mention is that they can get their owners’ license. Then they can have more access, including to the barn area.”

She also supports women-centered events at the track, such as the successful Fashionable Fillies Luncheon she helped organize at Santa Anita last February, which can go a long way in making women feel more comfortable at the track. Her unofficial motto for the event was “When you bring a roomful of women together, we can move mountains.”

“Once the pandemic lifts, we hope to do more activities for women,” she said. “I look forward to seeing more women coming out to the track, but we need to put the effort forward to make it appealing and interesting from their perspective, to help them feel invested in it too.”

“It is a male dominated sport, has been for centuries,” she said. “But it would be good to see more women have a seat at the table. Women figure prominently in the history of the sport, and they have a lot to contribute. We are witnessing a lot of changes in the sport now, and this is a good time to see this happen.”

Along with Samantha Siegel, Stephanie is one of two women on the 15-member TOC board. She is also one of three Northern California representatives and a vigorous advocate for Northern California racing and owners.

“My eyes have really been opened since I joined the board,” she said. “I have been amazed and impressed with how much TOC does to advocate for owners and the sport as a whole. TOC board member Gary Fenton had a big part in getting me involved, and I look forward to continued learning and growing to work for the betterment of racing and women in the industry.”

“I am really honored,” she concluded, “as someone relatively new to the sport with a deep love and interest, that as a female I was invited to be at the table.”

On behalf of TOC membership, the honor is all ours.

Crafting a Long Term Business Plan for California Purses

AN INTERVIEW WITH TOC DIRECTOR BOB LIEWALD

By Mary Forney



TOC Director Bob Liewald

TOC has consistently had as its top priority finding ways to ensure competitive purses for California racing. The ADW and Sports Wagering subcommittee of the TOC board was created to address this issue in the fall of 2018. That subcommittee is chaired by Bob Liewald.

On January 13, TOC announced a landmark agreement to provide up to \$15 million of much needed purse revenue enhancements from ADW providers. According to TOC President & CEO, Greg Avioli, who has worked closely and tirelessly over the

past year with Liewald on this initiative, “Bob has been indispensable in negotiations with the ADWs. Without his involvement, I do not believe these agreements would have been reached. He is truly TOC’s MVP.”

A lifelong love of horse racing combined with a career working in the sports industry, where he negotiated unprecedented long term licensing deals, made Liewald the perfect person for the job. When he joined the TOC board in 2018, he said, “I fully intend to apply the same passion and vision I’ve had working with the pro sports leagues and NASCAR to California racing and TOC.” California owners are now poised to see the results of that vision.

“Early last year as COVID started to make its mark on racing, we were looking at potential purse challenges,” Liewald said. “We began looking for opportunities for purse enhancements. In the past when it came to racing revenue,” he explained, “we have fought for a bigger piece of the pie. We now realize we need to make the pie bigger by looking for new revenue streams. And we need to address it now, not wait until we are left behind.”

“Knowing we wouldn’t be getting any help from the state, or casinos as in other states,” he continued, “we decided to aggressively pursue ADWs (Advance Deposit Wagering companies such as TVG, which has over 65% of the California ADW market) for help and do a deep dive into sports wagering. We originally looked at a three-to-five-year business plan focusing on sports wagering. One of our best partners has been TVG, owned by FanDuel, which is a sports-wagering company. They understand the need for competitive purses, making them a good partner. The results for immediate and future purses are very encouraging.”

Those results include TOC securing new revenue of \$7.75 million for immediate release into the purse account in 2021, and between \$5-8 million in additional funds locked in for 2022 purses. As part of this agreement, by the end of this year TVG/FanDuel will be working on providing one unified betting account for its customers to wager on sports wagering and horse racing for the first time (this is known in the industry as having one “wallet”). Offering horseracing to millions of bettors on FanDuel online should add tens of thousands of new horse players and millions of dollars annually to purses.

“Dennis Drazin, who runs Monmouth Park in New Jersey and is considered a founding father of sports wagering in this country, has been incredibly helpful, taking numerous calls, educating us, and sharing New Jersey’s success with sports wagering,” said Liewald. “His experience and knowledge helped us to be a lot smarter and more aggressive with the ADWs.”

As Liewald explained, it appears the California Tribes have gathered sufficient signatures so that their Tribal initiative for a constitutional amendment to authorize sports wagering in the state will be on the 2022 ballot. As it is currently written, only casinos and tracks will be able to sign up accounts and accept brick and mortar sports wagering. This would allow sports wagering at Santa Anita, Golden Gate Fields, Los Alamitos, and Del Mar.

There remains a chance that there will be another ballot initiative that would allow for internet betting, with the racetracks, casinos, and maybe others having the ability to accept online wagers in addition to the brick-and-mortar wagering. One way or another, Liewald is confident that within the next five years there will be both internet and brick-and-mortar sports wagering in California.

“I am comfortable that the agreement we just reached with TVG/FanDuel will provide an important bridge to the sports wagering era

in California,” he said. “With purses now projected to exceed \$100 million in 2021, we’re in a much better spot than we imagined.”

“With the promise of millions in additional purses now and beyond 2023, our short-term, mid-term, and long-term purse situation is much brighter than it was just a few months ago,” he concluded. “Add to that the expected impact when tracks and OTBs reopen to the public and the old revenue streams come back, we have paved a road for the next decade. We look to the prospects of more purse increases down the road.”

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 15, 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 15. 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 15. The postmark deadline for returned ballots is June 15, and the newly elected board members will take office on July 1.

Northern California Update

Northern California experienced many unexpected impacts to our racing calendar due to the COVID-19 pandemic and wildfires in 2020 that resulted in racing schedule cancellations and racing location adjustments. We would like to thank each and every owner who participated in racing in Northern California during the year. Your resilience and dedication to Northern California racing is genuinely appreciated.

To show their appreciation, Golden Gate Fields is planning a future owners recognition luncheon. To be notified of this event when it's scheduled as well as other TOC updates and events please go to the TOC website www.toconline.com to provide your updated information.

As we look towards 2021, a few key days to mark on your calendar are Saturday, Feb. 13, the \$100,000 El Camino Real Derby for 3-year-olds, and April 24-25 which is the second annual Gold Rush Weekend. Gold Rush weekend comprises eight stakes races totaling \$800,000 in purses, including the San Francisco Mile (Gr. III) and two Cal Bred stakes races for 3-year-olds.

As we conclude 2020, we would like to congratulate the 2020 Northern California leading owners: Johnny Tobaoda and partners with 30 wins, Tommy Town Farms LLC with 29 wins, and Ron Charles and Samuel Gordon with 21 wins. In terms of total starts in 2020, Johnny Tobaoda and partners led with 152, Rozamund Barclay with 146, and Tommy Town Farms LLC with 134.

OWNERS' PER-START FEE INCREASED BY 10%

The unfortunate reduction in live racing together with statewide increases in workers compensation costs have created a funding shortfall for the horse industry's workers compensation program covering jockeys and backstretch workers that is operated by Post Time Self Insurance. As a result, Post Time has found it necessary to increase the amounts to be paid by both owners and trainers, which fund the majority of program costs via per-stall charges from trainers and race per-start fees from owners, by approximately 10 percent. Beginning January 1, the owners' per-start fee has been raised from \$149 to \$162. The per-start fee will continue to be automatically deducted from the owner's paymaster account every time they start a horse.

To offset increased workers' compensation per-start increases and provide additional financial support to California owners, TOC authorized an increase in the Guaranteed Participation Purses earlier this year from \$351 to \$500 per start in Southern California and from \$300 to \$450 in Northern California. Guaranteed participation purses are paid to owners of horses competing in all races in which their horses do not finish first through fifth. They are designed to help owners cover core costs involved in getting their horses to the races – such as the mandatory vet exam fee required by the CHRB. Horses finishing sixth and beyond (and to fifth place finishers when their share of purse money is less than the corresponding Guaranteed Participation Purse) are paid \$500 to start in Southern California and \$450 to start in Northern California.

TOC EVENT UPDATE

Depending on possible COVID-19 restrictions, TOC has tentatively scheduled the following events through June. From January through March, we will release segments of our filmed conformation clinic on our website and social media. On Saturday, March 27, TOC will host a Racehorse Retirement Webinar (registration opens February 27). TOC also plans to host an Open Forum Webinar on Saturday, June 19 (registration opens May 19). Our annual events at Del Mar may also become webinars; on Sunday, July 18, TOC's New Owner Seminar (registration opens June 18) and on Saturday, August 14, our Southern California Annual Meeting (registration opens July 14).

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