

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, January 11, 2013, 11:00 a.m.
Santa Anita Park**

MINUTES

Directors Present: Madeline Auerbach, Bob Baffert, Mark Dedomenico (by phone), Mike Harrington, George Kirkorian, Ed Moger, Billy Morey (by phone), Jack Owens (by phone), Mike Pegram, Pablo Suarez (by phone), George Todaro (by phone), Kathy Walsh, and Mike Wellman.

Directors Absent: Dennis Cardoza

Staff Present: Lou Raffetto, Kellee Breen, Mary Forney, and Richard Scheidt.

- I. Call to Order
The meeting was called to order by Chairman Pegram at 11:07 a.m.
- II. Approval of Minutes
On a motion by Mr. Sadler, seconded by Mr. Krikorian, the minutes of the December 14, 2012 meeting were unanimously approved.
- III. Executive Session
- IV. President's Report (taken out of order before Executive Session)
 - A. Future funding of NTRA and RMTC
Mr. Raffetto called for discussion and a vote on future funding of both the NTRA and RMTC. He noted that he has had discussions with Dr. Don Shields, who represents TOC at the RMTC meetings, and Dr. Shields feels it is important to keep involved and aware of what direction the RMTC is going. Ms. Auerbach added that her original recommendation to stop supporting the RMTC was meant to be a symbolic one. Following discussion, Ms. Auerbach made a motion that TOC discontinue funding the RMTC (\$24,000 per year), which was seconded by Mr. Baffert and passed unanimously.

There was a lengthy discussion about the future funding of NTRA. On a motion by Mr. Owens, seconded by Ms. Auerbach, the board voted, with ten ayes and three opposed (Krikorian, Dedomenico and Todaro) to continue TOC funding of the NTRA for 2013.
 - B. Election Deadline Reminder
Mr. Raffetto reminded the board that February 1 is the deadline for nomination requests, and March 1 all nominees must be announced by the Nominating Committee. All six incumbents said they are willing to run in this year's election. Mr.

Pegram said he would like the committee to nominate at least six additional candidates. It was suggested that each board member provide recommendations to the committee. The committee consists of Mr. Suarez (chair), Ms. Auerbach, Mr. Pegram, and Mr. Sadler.

The board adjourned to Executive Session.

V. ADW/Simulcast Committee

A. Approval of Monarch's Proposed 2013 Simulcast Rates

Mr. Raffetto reviewed the rates proposed by Monarch, a copy of which was included in the board packet. Additionally, an evaluation sheet showing incremental gains in 2012 export handle was distributed to the board. Mr. Daruty of Monarch will be asked to be at the February board meeting to discuss plans for upcoming negotiations with ADW and simulcast sites. Following a lengthy discussion, a motion was made by Ms. Walsh, seconded by Mr. Wellman, to approve the 2013 rates, which passed with one abstention (Krikorian).

B. Monarch Request to Offer Golden Gate Fields' Signal to Foreign Locations at 3%

Mr. Raffetto said he was approached by Monarch regarding approval for Golden Gate to send its signal to foreign locations at 3% as a test. Following a brief discussion, this item died for lack of a motion.

Mr. Raffetto said he was also approached by Mr. Daruty regarding participating in a Pick-6 promotion at Santa Anita for which Mr. Daruty will be putting together a proposal. Santa Anita is also considering dropping the Pick-5. Mr. Raffetto suggested supporting the Pick-6 promotion in an effort to deflect Santa Anita dropping the Pick-5. It was decided that the board would like to hear the proposal from Santa Anita before making any decision.

VI. Racing Affairs Committee

A. Policy on Cancellation of Graded Stakes

Mr. Raffetto reported that the Racing Affairs Committee met on this issue and recommends that graded stakes be run regardless of field size. On a motion by Mr. Wellman, seconded by Mr. Krikorian, the board unanimously approved the committee's recommendation.

B. Hollywood Park Purse Reconciliation

This issue was discussed, but no action was taken by the committee. The matter was tabled until the February meeting.

C. Fairplex Purse Reconciliation

Mr. Raffetto reported that the Racing Affairs committee recommends that 100% of the underpayment be carried forward to the next meet. Discussion followed, after which a motion was made by Ms. Auerbach, seconded by Mr. Baffert, to carry the money forward. The motion failed to pass. Ms. Auerbach then made a motion to carry over \$150,000, which was seconded by Ms. Walsh and passed with one opposed (Todaro).

D. Ship and Win Final

Mr. Scheidt provided some final numbers regarding horses that were claimed from the Ship & Win program. He then introduced Messrs. Dado and Robbins from Del Mar. Mr. Robbins gave a brief history of the Ship and Win program. Mr. Dado continued with a complete presentation on the results of the program in 2011 and 2012. Del Mar would like to come to an agreement with TOC as soon as possible as to the bonus percentage for 2013 so that the program can be marketed. Their presentation was followed by a brief question and answer session.

Ms. Auerbach brought up the issue of testing the track surface, which has been a topic of discussion between the Racing Affairs committee and CTT. It has been determined that there is currently a lack of control regarding soil sampling as well as no means for all parties, including TOC and CTT, to obtain testing results. The CTT has recommended a soil scientist and independent testing firm and has allocated \$10,000 for the next six months. The Racing Affairs committee recommends supporting the CTT in this effort and contributing a like amount. Following discussion, Mr. Wellman made a motion to support the CTT in this effort and contribute \$10,000. Following additional discussion, the motion was seconded by Mr. Harrington and passed unanimously. Ms. Auerbach will provide Mr. Pegram with a schedule of meetings to be set up with Mr. Balch and Santa Anita.

VII. Marketing Committee

Messrs. Dado and Robbins remained at the meeting for the Marketing Committee discussions. A report on the Pick-6 On-Track Rebate Program was included in the board packet, and Mr. Dado answered questions from the board regarding the program. A report was also included detailing the Paddock Sale results.

VIII. Medication Committee

A. January Forum on EIPH

Dr. Dedomenico made a brief presentation on what is planned for the forum that will take place on Friday, Jan. 18.

IX. Legislative Committee

A. Legislative Update

Mr. Pegram provided a brief legislative update in Mr. Cardoza's absence. Mr. Cardoza will provide a more complete update at the February meeting.

X. Race Meet Reports

Mr. Raffetto gave a brief report on the Hollywood Park Fall Comparison Report, Santa Anita Winter Meet Update, and Golden Gate Fields Fall Comparison Report. Mr. Scheidt added a brief review of Golden Gate Fields purses and winter meet promotions and improvements.

XI. Finance Committee

- A. Financial Update
 - Ms. Breen provided a brief financial report. There is a surplus of \$8,200 for December, and the year-to-date surplus is \$192,000, compared to a deficit of \$11,000 last year at this time.

- XII. Other Business
 - A. Suggested 2013 Dates for TOC Open Forums
 - It was decided to hold the Pleasanton forum on June 30 and Santa Anita forum on April 7.

- XIII. Next Meeting
 - The next meeting will be Friday, February 15, 2013, 11:00 a.m. at Santa Anita.

- XIV. Adjournment
 - The meeting was adjourned by Chairman Pegram at 3:09 p.m.