

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Monday, December 16, 2013 - 11:00 a.m.
Los Alamitos
Vessels Club Directors' Room**

MINUTES

Directors Present: Nick Alexander, Madeline Auerbach, Ron Ellis, Mike Harrington, Ed Moger (by phone), Billy Morey, Jack Owens, Mike Pegram, Pablo Suarez (by phone), Kathy Walsh, and Mike Wellman.

Directors Absent: Bob Baffert, Mark Dedomenico and George Todaro.

Staff Present: Joe Morris, Mary Forney, and Richard Scheidt (by phone).

I. Call to Order

The meeting was called to order by Mr. Morris at 11:09 a.m.

II. Approval of Minutes

On a motion by Mr. Wellman, seconded by Ms. Walsh, the minutes of the November 15, 2013 meeting were unanimously approved.

III. President's Report

A. Replacement of Vacant Board Seat, Dennis Cardoza

Mr. Suarez asked for suggestions for the upcoming board election ballot. With regard to replacement of Mr. Cardoza's seat, he recommended the appointment of Mr. Bill Strauss. Additionally, he recommended Mr. Keith Pronske for the ballot. Following discussion, Ms. Auerbach made a motion to appoint Mr. Strauss to fill the seat vacated by Mr. Cardoza. On a second by Mr. Morey, the motion passed unanimously.

B. Industry Update

Mr. Morris reported on the current status of 2014 stabling. Pursuant to Fairplex announcing they would not open for stabling unless they could receive payment in 30 days, TOC negotiated a two-month waiver from Santa Anita to allow Fairplex to open and be paid first through March, going into the normal queue after March. Mr. Morris further reported that the Stabling & Vanning fund will pay for the one-way trip for those moving out of Hollywood Park beginning Jan. 22, and discussions have been held regarding provisions for any abandoned horses at Hollywood Park once it closes. The current horse population is approximately 2,600, with 1850 at Santa Anita, leaving 1500 stalls for 700 horses. Mr. Morris briefly discussed the financial status and 2014 outlook for Stabling and Vanning. Discussion ensued.

C. SCOTWINC Restructuring Update

Mr. Morris is part of a subcommittee working on the restructuring of SCOTWINC, which he hopes will be complete by January 1. TOC has traditionally had a 30% vote, and he is working to increase that once Hollywood Park, Oak Tree and Sacramento Harness are removed. Mr. Owens asked about restructuring of NOTWINC, specifically now that Santa Rosa has withdrawn from CARF, and Mr. Morris noted that he would be looking into that.

D. Northern California Race Dates

Mr. Morris provided a recap of the recent CHRB meeting at which the CHRB attempted to approve race dates for 2014 and 2015. TOC objected to approving 2015 dates, and eventually the CHRB approved 2014 dates, with a stipulation that Sacramento Fair receives three weeks in 2015. Mr. Morris also noted that Oak Tree will most likely take the three weeks at Pleasanton.

E. NTRA Renewal 2014

Mr. Morris noted that the NTRA is this year reducing the dues 25% to \$168,000. Additionally, in the next two years the dues will drop 12.5% a year. A discussion ensued regarding the NTRA's major initiatives and the pros and cons of membership. Mr. Suarez, who is the TOC representative on the NTRA board, added that this past year they have made great strides as far as hearing and valuing our opinion. On a motion by Mr. Wellman, seconded by Ms. Auerbach, the board voted unanimously to continue participation in NTRA.

IV. ADW/Simulcast Committee

Mr. Morris provided an update on discussions with WatchandWager, Lien Games, and TwinSpires. Lien Games has signed a hub agreement with CARF that is unacceptable to TOC, and the Executive Committee is currently considering the issue and the possibility of arbitration. He also noted that TOC will take a strong stand to require that any ADW wager made on track is treated as a live on-track wager, which will benefit our purse account. A brief discussion followed.

V. Finance Committee

Mr. Alexander provided a brief financial report, noting that we are \$177,000 to the good for fiscal year, putting us \$92,000 over budget for the year. One open-ended issue still exists regarding additional invoices for the Santa Anita track surface study approved by the board in January 2012. It was decided that TOC would contribute only up to the \$10,000 initially approved.

VI. Racing Affairs Committee

Ms. Auerbach provided an update on meetings with Santa Anita. Discussions were held about the purse schedule, and it was agreed to meet again Jan. 17, at which time Santa Anita will have a presentation regarding the second half of its meet, which Santa Anita is considering a second meet.

There was a brief discussion of the Del Mar underpayment, which amounts to \$672,000. It was noted that Del Mar began the meet with a carryover of \$720,000 from last year. Messrs. Morris and Scheidt have had discussions with Mr. Ernst of Del Mar.

VII. Owner Relations/Marketing Committee

Mr. Wellman presented the proposed TOC board meeting schedule for 2014, as well as an event schedule. He would like to move the Open Forum at Santa Anita from April to February. Additionally, he recommended an Open Forum at Los Alamitos in 2014. It was suggested that Mr. Wellman discuss with Mr. McKinzie.

VIII. Medication Committee

Mr. Morris provided a brief recap of meetings with the National HBPA and THA in Tucson, at which he encouraged the NHBPA to join the Uniform Medication Guidelines. The NHBPA will hold its annual meeting at Santa Anita on January 22-26. Mr. Pegram raised issue of Dr.

Arthur's video that was recently re-shown, and the question of whether TOC should address the CHRB again on the matter. It was decided to take no action at this point.

- IX. Legislative Committee
Mr. Morris provided a brief legislative update. TOC is working on legislative days at Santa Anita and visits to Sacramento, as well as working proactively with breeders regarding Internet Poker.
- X. Race Meet Reports
Reports enclosed in packet.
- XI. Executive Session
The board then convened to executive session.
- XII. Next Meeting
The next meeting will be Friday, January 10, 2014 at Santa Anita
- XIII. Adjournment
The meeting was adjourned at 12:57 p.m. and was followed by a facility, backstretch and track tour.