

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, July 19, 2013 – 11:00 a.m.
Del Mar**

MINUTES

Directors Present: Nick Alexander, Madeline Auerbach, Bob Baffert (by phone), Dennis Cardoza (by phone), Mark Dedomenico (by phone), Ron Ellis, Ed Moger, Billy Morey, Jack Owens, Mike Pegram, Pablo Suarez, George Todaro (by phone), Kathy Walsh, and Mike Wellman.

Directors Absent: John Sadler

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

- I. Call to Order
The meeting was called to order at 11:07 by Mr. Morris.
- II. Introduction of New Board Members
Mr. Morris thanked all board candidates for running and welcomed new board members Nick Alexander and Ron Ellis. Staff was instructed to send a thank you letter to Mr. Harrington for his service on the board.
- III. Officer Election
Mr. Morris read the proposed nominations for board officers. On a motion by Ms. Auerbach, seconded by Mr. Wellman, the following officers were unanimously elected: Mike Pegram, Chair; Pablo Suarez, Vice Chair Southern California; Jack Owens, Vice Chair Northern California; Nick Alexander, Secretary/Treasurer; Ed Moger, Member at Large; and John Sadler, Member at Large.
- IV. Approval of Minutes
On a motion by Mr. Owens, seconded by Ms. Walsh, the minutes of the June 14, 2013 meeting were approved unanimously.
- V. President's Report
 - A. Board Committees
Mr. Morris distributed a list of proposed TOC committee and industry board assignments for review and discussion. There were no changes proposed. It was suggested minutes from all committees be circulated to the full board.
 - B. California Economic Indicators
Mr. Morris reported on recent economic indicators, a chart of which was enclosed in the board packet. Indicators show that California is out-performing the rest of the nation.

- C. Stabling Update – Discussed in executive session
 - D. TV Distribution Update – Discussed in executive session
 - E. Industry Fund – Discussed in executive session
- VI. ADW/Simulcast Committee
- Mr. Owens brought the board up to date on the contract with an entity in Australia to do a study on exchange wagering in that country. It is currently in draft form and will be provided to the board, possibly at the August board meeting. Mr. Owens recommended that the Simulcast/ADW committee take the lead on this issue. Mr. Morris added that the SportTech proposal for California mini-satellites will also be taken up by the Simulcast/ADW committee. Discussion ensued regarding both exchange wagering and mini-satellite development.
- VII. Finance Committee
- Ms. Breen reported that, while we have not officially closed the books for the fiscal year end, it looks like we will have the best surplus in history. The budget process is ongoing. She also reported that on June 21 TOC received a subpoena for documents, which were provided by staff in a timely manner.
- VIII. Racing Affairs Committee
- Mr. Scheidt reported on the recent meeting committee meeting. Ms. Auerbach recommended scheduling a racing affairs meeting at Del Mar with all of the racing secretaries. There was a brief discussion regarding two-year-old California-breds running on Lasix on Breeders' Cup days. The board was in agreement that we are still taking a pro-Lasix stance, and the Racing Affairs committee will follow up on the issue.
- A brief discussion ensued on the status of track testing at Santa Anita and the inability to obtain information about the testing results, and it was decided to again request a status update.
- IX. Owner Relations/Marketing Committee
- Mr. Morris updated the board on the New Owner Seminar scheduled for Sunday morning. Mr. Wellman discussed the Paddock Sale scheduled for the same evening. There was a discussion about the Paddock Sale and the fact that the majority of horses entered in the sale are not from out of state. TOC was not advised by Barretts that they were having trouble recruiting horses and needed to open entries to California horsemen.
- X. Medication Committee
- Mr. Morris reported on today's Medication meeting. Discussion items included the Uniform Medication Standards and RMTC language just passed regarding repeat offenders, the use of Lasix as the only race-day drug, and the introduction of a rule prohibiting use of estrogen on race day.

XI. Legislative Committee

A Legislative Summary was enclosed in board packet. Mr. Morris reported that he attended an HRU meeting yesterday; and that Internet poker legislation does not look like it will be done this year.

There was a discussion regarding a Breeders' Cup bill that would allow SB 1072 money to be used for purses. Currently, those funds are delegated for marketing as approved by the CMC and Department of Tourism. Mr. Pegram recommended that CMC be asked to write a letter at the same time TOC does requesting that Breeders' Cup withdraw the bill because it is not in the best interests of California to be seen fighting each other in Sacramento. Mr. Morris will draft a letter to Mr. Fravel and speak to Mr. Dado about doing the same on behalf of CMC.

XII. Race Meet Reports

Mr. Scheidt gave preliminary numbers for Hollywood Park at meet end, a recap of the Pleasanton meet, and the current status of the Sacramento meet.

XIII. Other Business

There was no other business.

XIV. Executive Session

XV. Next Meeting

The next meeting is scheduled for Friday, August 16, 11:00 a.m. at Del Mar

XVI. Adjournment

The meeting was adjourned at 1:32 p.m. by Mr. Pegram.