

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Friday, March 15, 11:00 a.m.  
Santa Anita Park**

**AGENDA**

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

**Directors Absent:** None.

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

I. Call to Order

The meeting was called to order at 11:03 a.m. by chairman Mike Pegram.

II. Approval of Minutes

Ms. Breen made a slight correction to the Finance Report, and Mr. Cardoza requested clarifications to the wording in the ADW/Simulcast and Legislative reports, as well as addition of wording to Section C of the Medication Committee report. Following a motion by Ms. Auerbach, seconded by Ms. Walsh, the minutes of the February 15, 2013 meeting were unanimously approved as corrected.

III. Search Committee

Mr. Krikorian provided a status report from the committee conducting the search for a new president. Ads have been placed in several media outlets and several responses have been received. Interviews are ongoing, and it is hoped that the process will be completed within the next few weeks. At that time, the search committee will bring one or more candidates before the full board for a decision.

IV. Executive Session

The Board adjourned to Executive Session.

IV. Election Nominations Update

Mr. Suarez provided an update from the Nominating Committee regarding the current candidates for the board election.

V. Finance Committee

Following discussion, Mr. Pegram made a motion for approval of a \$7,500 budget expenditure to cover one-half of the cost for a further study of purse analysis on the Los Alamitos project – with the other half to be paid for by Del Mar. The motion was seconded by Mr. Sadler and passed unanimously.

Ms. Breen reported a surplus at the end of February of \$14,000 and a year-to-date surplus of \$221,000. For the first eight months of the fiscal year, revenues are over and expenses under budget. She then presented the committee's recommendations for insurance policy renewals. On a motion by Ms. Auerbach, seconded by Mr. Morey, the board unanimously approved the recommendations.

VI. ADW/Simulcast Committee

Mr. Scheidt distributed some informational sheets and made a comprehensive presentation explaining handle and purses as derived from ADW, on-track, and off-track wagering. A lengthy discussion ensued. The board will review more thoroughly in preparation for an expanded discussion at the April meeting, including a comparison with other states' ADW retention.

VII. Exchange Wagering

Mr. Pegram reviewed the information enclosed in the board packet for the exchange wagering experiment suggested by Del Mar and the proposal from ITS for a similar study to the one that firm conducted in Australia. The cost for the study would be approximately \$50,000. Del Mar has agreed to pay for 25%, Oak Tree has agreed to a portion, and the CTBA has committed \$10,000. A TOC contribution would be a budget addendum, if approved. A motion was made by Mr. Krikorian to support the study and increase the budget by \$32,000, which would include the \$7,500 line item expenditure previously approved (in Executive Session) for the Los Alamitos study. The motion was seconded by Mr. Wellman and passed unanimously.

VIII. Racing Affairs Committee

A. Hollywood Park Proposal

Representing Hollywood Park were Mr. Liebau, Ms. Grealish and Ms. Thurman. Mr. Liebau presented Hollywood Park's proposal for outreach to the Hispanic community by Spanish radio, websites, handicapping seminars, Fiesta Fridays, press releases, customer support, etc. He requested TOC consider allocating \$73,500 of purse funds for the project. Ms. Thurman reviewed results of the pick-6 promotion, which was a success in terms of handle increases. Mr. Liebau added Hollywood Park would like to introduce the Rainbow Pick-5, similar to the one at Gulfstream Park; however, they are waiting for approval from ARCI. Ms. Grealish reviewed Hollywood Park's social media marketing campaign. They then took questions from the board. After HP representatives left, discussion continued.

A motion was made by Ms. Auerbach to accept the Hollywood Park proposal, and further discussion ensued. Mr. Pegram suggested an amendment to the motion, asking Mr. Liebau to confirm that the pick-5 issue is over. The motion was seconded by Mr. Cardoza. Following additional discussion, the motion passed with two no's (Krikorian and Sadler) and one abstention (Harrington).

B. Del Mar Race Meet Agreement

Ms. Auerbach briefly reviewed the proposed purse schedule, which is going up again by about 5-6% from last year. Del Mar will run all stakes races they ran last

year; however, the purse for the Yellow Ribbon will be reduced as Oak Tree has withdrawn their support this year. Projected approximate purses at Del Mar are \$21,000,000, and they are projecting an approximate \$650,000 underpayment. On a motion by Ms. Auerbach, seconded by Mr. Baffert, the board voted unanimously to accept the purse schedule portion of the race meet agreement.

C. DMTC Ship & Win

Ms. Auerbach gave an overview of Del Mar's Ship and Win proposal. This year, the program is the same, but they are proposing an increase in the bonus from 25% to 33%. There was a motion by Ms. Auerbach to approve the Del Mar Ship and Win proposal, seconded by Mr. Cardoza, which passed with two opposed (Krikorian, Sadler).

D. CTBA Maiden Owner Bonus Program Update

Ms. Auerbach gave a brief report on the program, which is currently being reexamined regarding discontinuing TOC's contribution as the program becomes solvent.

E. CARF 2012 Finals / 2013 Proposals

Mr. Scheidt provided an update. Santa Rosa is discussing leaving CARF, and the CARF-TOC race meet agreement is due in about two weeks. Mr. Scheidt will keep the board apprised of any updates.

IX. Owner Relations/Marketing Committee

Mr. Wellman gave a brief update on the recent committee meeting. He moved that the board approve the selection of the two rookies for this year's Rookie Award, which was seconded by Mr. Cardoza and passed unanimously.

The Pleasanton forum has been rescheduled to June 22.

Mr. Wellman then asked the board to consider reinstituting some type of seminar program, possibly with racetrack support, including budget support for the program. Brief discussion ensued.

X. Medication Committee

Dr. Dedomenico provided a Medication Committee report. Discussion ensued regarding third-party Lasix administration. Dr. Dedomenico recommended adopting the same medication rules as the mid-Atlantic consortium, with the exception of the third-party administration of Lasix. Following discussion, the matter was sent back to the committee, who will work with CTT and Dr. Arthur to develop a recommendation. Mr. Cardoza will attend the RMTC meeting in Baltimore on Monday, and Mr. Sadler will discuss the RMTC agenda with the CTT board and pass along any recommendations to Mr. Cardoza.

Mr. Pegram received a call from Breeders' Cup asking TOC to take a vote today on a position regarding supporting 2014 Breeders' Cup in California. Mr. Owens made a

motion to inform Breeders' Cup that California is not interested in hosting the 2014 Breeders' Cup if Lasix is not allowed for all races. The motion was seconded by Mr. Harrington and passed unanimously.

XI. Legislative Committee

Mr. Cardoza provided a legislative update during Executive Session.

XII. Race Meet Reports

Mr. Scheidt provided a brief race meet report. He also provided an update on the Stabling and Vanning status in Northern California. Discussions have been held with Pleasanton and have been moving away from a moratorium to consideration of other options. Following discussion, a motion was made by Mr. Owens that Messrs. Moger, Morey and Scheidt handle the negotiations by exploring any sensible solution that does not include shutting Pleasanton down. The motion was seconded by Ms. Auerbach and passed unanimously.

XIII. Other Business

Mr. Pegram asked for suggestions for topics at the April 7<sup>th</sup> open forum, and a brief discussion ensued.

XIV. Next Meeting

The next meeting is scheduled for Friday, April 19, 11:00 a.m. at Santa Anita

XV. Adjournment

The meeting was adjourned by Mr. Pegram at 3:22 p.m.