

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, May 10, 2013 – 11:00 a.m.
Hollywood Park**

MINUTES

Directors Present: Madeline Auerbach, Bob Baffert, Dennis Cardoza (by phone), Mike Harrington, Billy Morey, Jack Owens (by phone), Mike Pegram, George Todaro (by phone), Kathy Walsh, and Michael Wellman.

Directors Absent: Mark Dedomenico, Ed Moger, John Sadler, Pablo Suarez

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

- I. Call to Order
The meeting was called to order by the Chairman, Mike Pegram, at 11:07 a.m. He welcomed TOC's new president, Joe Morris.
- II. ADW/Simulcast Committee
 - A. Sportech Mini-Satellite Presentation
Attending the meeting were Mr. Rick Baedecker of SCOTWINC, Messrs. Andrew Gaughan, Terry McWilliams, Lance Ku, and Phil Balderamos of Sportech, and Mr. Josh Rubenstein of DMTC. They made a presentation on Sportech's proposal for new mini-satellites in California. The presentation was followed by questions from the board.
 - B. Update on Simulcast Rates and High Volume Player Rates
Mr. Morris provided a brief update on the status, noting that he is following up with Mr. Daruty of Monarch and will have a complete report for the June meeting.
- III. Approval of Minutes
Ms. Breen requested a correction to the wording of the Finance Committee report in the April 11 minutes, to remove any reference to personnel matters. On a motion by Ms. Auerbach, seconded by Mr. Morey, the minutes of the meetings of March 15, April 3 and April 11, 2013 were approved unanimously.
- IV. Other Business
Mr. Morris provided a report on the meeting held on Tuesday with CTBA, CTT, and representatives of The Stronach Group, where several scenarios were explored for stabling at various venues. Mr. Harrington also provided his view of how the meeting went.

Ms. Auerbach made a motion that, based on the financial information available to us, TOC support the scenario of training at Santa Anita, Los Alamitos and San Luis Rey Downs unless Fairplex comes back by the end of May with a proposal that fits into the financial model. The motion was seconded by Ms. Walsh and passed unanimously.

There was a brief discussion regarding Lasix policy and the benefits of TOC aligning itself with the mid-Atlantic medication guidelines.

Mr. Owens reported that the election ballot would reflect that Mr. Krikorian has withdrawn, to avoid any voter confusion. Staff was instructed to send out an email blast encouraging members to vote and thanking Mr. Krikorian for his service.

V. Finance Committee

Mr. Breen provided a brief financial update. April revenues were up, and year-to-date surplus is at \$220,000. For the first 10 months of this fiscal year, track revenues are over budget and expenses are under budget. Following extensive research, the Finance Committee recommends moving TOC accounts to UBS from Wells Fargo. Mr. Morey made a motion to approve, which was seconded by Ms. Auerbach and unanimously approved.

VI. Racing Affairs Committee

Mr. Scheidt provided an update on Santa Rosa, which has withdrawn from CARF and will be dropping a couple of days. After discussion, it was agreed that TOC approve schedules submitted by Santa Rosa. Mr. Morris recommended putting language into the contract regarding television distribution.

Mr. Morris indicated he would forward race dates calendars to the board following a meeting between the tracks on Monday, May 20.

Mr. Wellman requested clarification regarding which issues can be discussed and voted in committee as opposed to those that must go to the full board for vote. A brief discussion ensued, which included a recommendation that all committee meetings be noticed to the entire board. Staff will develop a better process for disseminating committee information to the board.

VII. Owner Relations/Marketing Committee

Mr. Wellman reported that election ballots will be mailed out May 15, and he reminded directors about the Open Forum in Pleasanton on June 22. Additionally, the recipient of the Chairman's Award needs to be decided soon, and the committee would like to have a strong TOC presence at the seminar for new owners being developed by Del Mar.

VIII. Medication Committee

Mr. Morris briefly reported on the meeting scheduled for June 6 in New York regarding scientific research on EIPH. The Executive Committee had made the decision to ask Dr. McIlwraith to attend with TOC paying his expenses, as requested by Dr. Dedomenico.

IX. Legislative Committee

In Mr. Cardoza's absence, Mr. Pegram gave a brief report regarding current legislation and issues in Sacramento. It was mentioned that the CMC legislation language sunsets at the end of the year, and Mr. Morris will put the issue on the June agenda.

X. Race Meet Reports

Mr. Scheidt gave a brief report on Santa Anita final numbers, Hollywood Park meet to date, and Golden Gate Fields meet to date and proposal for their summer meet. He also provided an update on the NCOTWINC expense fund.

XI. Next Meeting –

There will be a special board conference call regarding future race dates on Tuesday, May 21 at 1:00 p.m. The next regular board meeting will be Friday, June 14, at 11:00 a.m. at Hollywood Park.

XII. Adjournment

The meeting was adjourned at 1:33 p.m. by Chairman Pegram.