

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, February 14, 2014 - 11:00 a.m.
Santa Anita**

MINUTES

Directors Present: Bob Baffert, Ron Ellis, Mike Harrington, Terry Lovingier, Ed Moger, Billy Morey (by phone), Jack Owens (by phone), Mike Pegram, George Todaro (by phone), Kathy Walsh, and Mike Wellman.

Directors Absent: Nick Alexander, Mark Dedomenico, Bill Strauss, and Pablo Suarez.

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

I. Call to Order

Mr. Morris called the meeting to order at 11:04 and welcomed new board member Terry Lovingier.

II. Approval of Minutes

On a motion by Mr. Ellis, seconded by Mr. Harrington, the minutes of January 10, 2014 and the January 29, 2014 Conference Call were unanimously approved.

Messrs. Newby and Ludt of Santa Anita/The Stronach Group joined the meeting for a brief presentation of Santa Anita's marketing efforts including an update on handle and attendance, averages for daily double pools and the doubles promotion. They informed the board that the doubles promotion would run through the end of the spring-summer race meet. They then took questions from the board.

III. President's Report

A. Industry Update

Mr. Morris gave an update on current horse counts, noting that he will be taking another count at the end of this month, including a visit to Hollywood Park. His count showed roughly 2600 horses, which is being compared with counts from FinishLine insurance and InCompass.

B. Workers' Comp Legislation Sunset

Mr. Morris provided an update on the legislation, which will be an agenda item at next week's CHRB meeting.

IV. ADW/Simulcast Committee

A. Hub Agreements Update

Mr. Morris reported that an agreement has been signed with GamePlay Network. It is based on a new model: the first part is an ADW that sits behind a gaming platform with money bet in quick pick pools at 6.5%; the second part is an ADW platform at 4%. GamePlay goes before the CHRB next week for a license application. A discussion ensued.

B. OTB Update

Mr. Morris reported that we have a site in southern San Diego that should open by mid-year and one in Norco that will probably open in May. Oceans Eleven opened in December, and the Hollywood Park updated OTB opened in January. He expects to have four more sites open this year in the south and possibly one or two in San Francisco.

C. On-track Wagers Update

Mr. Morris noted that we have agreement from XpressBet, TVG and WatchandWager regarding on-track ADW wagers, and we will be meeting with Churchill representatives in March. He also reported that Santa Anita is looking to put tablets for wagering into the Eddie Logan Suite and other high-end places on-track, all to count as on-track wagers.

V. Finance Committee

Ms. Breen gave a financial report for January, noting that the year-to-date surplus is \$233,000. She then thanked Mr. Morris for attending her deposition last month.

VI. Racing Affairs Committee

Mr. Scheidt reported on last week's Racing Affairs committee meeting with Santa Anita and Los Alamitos, at which discussions included two-year-old races, moving of stakes races and changes in Graded stakes. Mr. Owens asked Mr. Scheidt to provide further information on 2013 stakes for use as a baseline comparison going forward.

Mr. Morris added that with Santa Anita's Fall meet being underpaid they would like to move \$400,000 to the Spring meet coming up, leaving about the same amount for the Fall 2014 meet. A general discussion followed. Mr. Harrington moved that Mr. Morris be authorized to sign the race meet agreement for the Santa Anita Spring meet, with the understanding that Santa Anita will move the two two-year-old stakes races back at least six days to fit better with Los Alamitos and Del Mar two-year old stakes and that we would authorize a \$400,000 carryover from the 2013 Fall meet if needed. The motion was seconded by Ms. Walsh. Following further discussion, the motion passed with two opposed (Ellis and Wellman).

A. Participation Purses

Mr. Morris reviewed information on participation purses that was included in the board packet. Mr. Harrington made a motion to table the discussion indefinitely, which was seconded by Mr. Lovingier. Following further discussion, the motion passed unanimously.

B. Los Alamitos

Mr. Scheidt reported that the Racing Affairs committee had productive discussions with Los Alamitos, who went through their projections and tentative stakes schedule and committed to adding two two-year-old stakes. TOC approved three of their graded stakes in order for them to get out early nominations: the Los Alamitos Derby, the Futurity, and the Starlet.

C. Del Mar Ship & Win 2014

Mr. Scheidt briefly reviewed the packet enclosures regarding Del Mar Ship & Win, noting we are showing a return on investment for the program. Del Mar would like to run the same program again in 2014, and we asked them to move back the date for ownership restriction, to which they agreed. Del Mar is requesting approval now

so they can begin a marketing push. Following discussion, Mr. Wellman made a motion to approve the Del Mar Ship & Win proposal with the condition that Del Mar, Los Alamitos and TOC sit down and work out a horse recruitment program for this year's meets. The motion was seconded by Mr. Lovingier and unanimously approved.

- VII. Owner Relations/Marketing Committee
Mr. Wellman recommended exploring and adding some TOC marketing programs in an effort to make the racing experience better for owners.
- VIII. Medication Committee
Mr. Morris provided a brief update on the status of the Uniform Medication Guidelines. He is currently working on adding language regarding the administration of third party Lasix. He has met with the CTT in that regard and will be getting input from other jurisdictions as well.
- IX. Legislative Committee (Taken out of order following President's Report)
Ms. Black joined the meeting by telephone to provide a brief legislative update, including the latest information on SB 777 and the Internet Poker legislation.
- X. Race Meet Reports
Mr. Scheidt provided a brief race meet report on Santa Anita and Golden Gate Fields.
- XI. Nominating Committee
Mr. Morris recapped the status of nominations for the 2014 Board election. There are six seats open, with all incumbents except Mr. Suarez planning to run. Messrs. Keith Pronske and Mark Giardino have been nominated, and Mr. Jim Cahill has begun the petition process. Mr. Alexander reached out to Ms. Pamela Ziebarth, who declined. The nominating committee is attempting to contact Mr. Greg Ackerman, whose name was submitted, and Ms. Walsh is reaching out to Al Sherman. All nominations must be submitted by March 1.
- XII. Executive Session
There was no executive session.
- XIII. Next Meeting
The next meeting is scheduled for Friday, March 14, 2014 at Santa Anita.
- XIV. Adjournment
Mr. Morris adjourned the meeting at 1:30 p.m.