

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, May 9, 2014 – 11:00 a.m.
Santa Anita**

MINUTES

Directors Present: Nick Alexander, Bob Baffert, Mark Dedomenico (by phone), Ron Ellis, Mike Harrington, Terry Lovingier (by phone), Billy Morey (by phone), Ed Moger, Jack Owens (by phone), Mike Pegram, Pablo Suarez (by phone), Bill Strauss (by phone), Kathy Walsh, and Mike Wellman.

Directors Absent: George Todaro.

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 11:05 a.m., and the board immediately adjourned to Executive Session. The regular board meeting resumed at 11:46 a.m.
- II. Approval of Minutes
On a motion by Mr. Baffert, seconded by Mr. Wellman, the minutes of April 11, 2014 were unanimously approved.
- III. President's Report
 - A. Horse Count
Mr. Morris distributed the most recent horse count sheet, which he briefly reviewed. There are currently 2,897 horses on the southern California circuit. There was a discussion regarding stall availability when the circuit moves to Del Mary in July, and it was noted that Los Alamitos is considering adding 150 pens with roofs.
 - B. Los Alamitos-Fairplex Negotiations Update
Mr. Morris explained the proposed Los Alamitos-Fairplex deal to move the L.A. County Fair race dates to Los Alamitos, and a further discussion ensued.
 - C. Horse Recruitment
Mr. Morris advised that he attended an industry presentation on horse recruitment and that there is a proposal to establish a year-round horse recruitment program. He will provide further information to the board when it becomes available.
- IV. ADW/Simulcast Committee
 - A. OTB Update

Mr. Morris updated on the recent mini-satellite openings. He also informed the board on recent discussions and ongoing negotiations with Mr. Korby regarding CARF's request for the extra 1%. This will be further discussed by the Executive Committee.

B. On-track Wagers Update

Mr. Morris noted that at the most recent CHRB meeting, TOC helped XpressBet get a rule passed allowing them to have wagering tablets at Santa Anita, which will count as on-track wagers. The approval sets a beneficial precedent. We are now working on doing the same thing at the OTBs. Mr. Morris has also contacted a Nevada firm specializing in geo technology, and progress is being made in that regard.

Mr. Morris further reported on the ad hoc security committee, which recently held a meeting to discuss a tip line on the backstretch (with a phone number to call for reporting any illegal activity). TOC has been asked to put up the reward money. It was suggested that we contact Keeneland to find out if a similar program implemented there has been effective.

V. Finance Committee

Ms. Breen provided a brief financial report, noting a small surplus for April and a year-to-date surplus of \$289,000. Track revenues were over budget, and expenses were again under budget. The finance committee projects a year-end total of about \$314,000. Ms. Breen also reminded the board to contact her about hotel reservations for the Del Mar August meetings.

VI. Owner Relations Committee

Mr. Wellman reminded the board of the Pleasanton Open Forum on June 28, encouraging board members to attend.

VII. Racing Affairs Committee

A. Los Alamitos Purses, Daily Double, Two-Year-Old Stakes

Mr. Scheidt reported we are about ready to execute that race meet agreement. He added that the daily doubles at a lower takeout rate were previously approved, and the two-year-old stakes will be run at six furlongs.

B. Northern California Fair Update

Mr. Scheidt provided a brief report on the status of negotiations on the CARF and Santa Rosa race meet agreements. He noted that CARF will be asking for a vanning subsidy at the next Racing Affairs meeting, and he will keep Mr. Morris updated in that regard. Mr. Owens asked whether the Santa Rosa stakes schedule had been approved by Messrs. Morey and Moger. Mr. Moger has approved; Mr. Morey was unable to attend the Racing Affairs meeting but will review with Mr. Scheidt.

VIII. Medication Committee

A. Third-party Lasix Administration

Mr. Morris distributed draft language developed for the California protocol for Third Party Lasix Administration, which he asked the board to review. He is currently researching costs for the third-party provider and hopes to have a proposal for the CHRB sometime this summer. A brief discussion ensued.

IX. Legislative Committee

Mr. Morris provided a brief legislative update. He said that Mr. Scott Wetch has been hired as a lead lobbyist for California horsemen, including Santa Anita and the members of HRU. Los Alamitos has not yet joined HRU, but it is hoped that Santa Anita and Los Alamitos will pay for half of Mr. Wetch's fee and HRU the other half. Mr. Pegram recommended increasing the TOC budget for HRU next fiscal year. There was a brief discussion regarding contributions to the PAC.

X. Race Meet Reports

Mr. Scheidt provided brief race meet reports for Santa Anita and Golden Gate Fields.

XI. Next Meeting

The next meeting will be Friday, June 13, 2014 at 11:00 at Santa Anita.

XII. Adjournment

The meeting was adjourned at 1:03 p.m.