

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Friday, October 17, 2014 – 1:00 p.m.  
Golden Gate Fields**

**MINUTES**

Directors in Attendance: Nick Alexander, Jim Cahill, Mike Harrington (by phone), Terry Lovingier (by phone), Ed Moger, Billy Morey, Jack Owens, Mike Pegram, Bill Strauss (by phone), and Mike Wellman.

Directors Absent: Bob Baffert, Mark Dedomenico, Ron Ellis, George Todaro, and Kathy Walsh.

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

I. Call to Order

Mr. Morris called the meeting to order at 1:01 p.m.

II. Approval of Minutes

On a motion by Mr. Cahill, seconded by Mr. Wellman, the minutes of September 18, 2014 were unanimously approved.

III. President's Report

A. Industry Update

Mr. Morris and Pegram will meet Monday with Messrs. Daruty and Brackpool to discuss stabling and vanning. Mr. Morris updated the board on recent discussions about funding stabling and vanning with a percentage from ADW handle. He also noted that he met with Mr. Balch yesterday, and CTT is interested in Galway Downs for offsite stabling and training. Mr. Morris has visited the site. Finally, he reported that Fairplex was extended out through Dec. 31 by contract but has said they won't stay open beyond March. A brief discussion followed regarding the future use of Galway Downs.

The board then adjourned to Executive Session.

B. CARF Satellite Proposal

Upon reconvening to general session, Mr. Morris updated the board on the current status of the CARF satellite proposal. He is in the process of writing up a revised proposal, which he believes Santa Anita will accept.

IV. ADW/Simulcast Committee

A. OTB Update

Mr. Morris reported that the new OTB in Norco is scheduled to open in November, and another one in San Diego (near the convention center) by January. Mr. Haines has been on the road visiting all the sites, and SCOTWINC is in discussion with three or four additional sites. Hollywood Park is considering moving the existing casino to another location on the site and enlarging it. Mr. Wellman asked for an updated analysis of the OTB sites, including distribution of takeout percentages and comparisons to ADW's and mini-satellites.

In response to a question by Mr. Wellman, Mr. Morris explained the distribution structure for FinishLine in Pomona, which includes a Del Mar give back on what is handled at the OTB on Del Mar, with those funds going to purses for Fairplex (now going to purses at Los Al). Fairplex is looking to upgrade and enlarge FinishLine, and when that is complete they will receive an extra 1% of handle, as part of the plan to grow the OTB business.

V. Finance Committee

A. Financial Update

Ms. Breen provided a brief financial update noting a year-to-date deficit of \$53,000. She noted that September legal fees amounted to \$78,000. She further reported that the audit is complete and a copy of audit has been sent to all directors. Mr. Alexander then reviewed the audit, adding that Mr. Cahill will be reviewing our investments and will also be a signer on the account. On a motion by Mr. Alexander, seconded by Mr. Moger, the audit was unanimously approved. It will be posted online.

VI. Owner Relations Committee

A. Annual Meeting Agenda

Mr. Morris briefly reviewed the agenda for tomorrow's Annual Meeting. There was a brief discussion regarding possible questions.

B. Susan G. Komen Fundraiser at Del Mar

Mr. Wellman updated the board on plans for the race on Nov. 22 at Del Mar to benefit the Susan G. Komen Foundation. There are five stallions lined up for a 2015 breeding in addition to the purse: Acclamation, Coil, Empire Way, Lucky Pulpit, and Smiling Tiger. First through fifth. Most likely a starter allowance race. Those who choose to run will be asked to make a \$2,000 starting fee structured as a charitable donation. Also considering purchasing pins as a donation, which will be given to employees at Del Mar, as well as some to be sold for donations.

C. TOC Conformation Clinic Recap

Ms. Forney provided a brief update on the Conformation Clinic held at Santa Anita on Saturday, Oct. 4.

VII. Racing Affairs Committee

A. Golden Gate Fields Winter-Spring Meet

Mr. Scheidt reported on a Racing Affairs Northern California Subcommittee meeting held this morning. He provided a Golden Gate Fields summer meet recap, noting that Golden Gate is now overpaid \$83,000, and they have recalculated the purse levels for the winter-spring meet. The Racing Affairs committee will move forward with approval of their purse levels. Their stakes schedule will remain the same, and there will be an emphasis on a Cal-bred day on June 7.

B. CARF Update

Mr. Scheidt provided a brief recap of the CARF meets. He expects them to be overpaid, but he will know in February after the final accounting. All purse numbers were up.

C. Los Alamitos Winter Meet / Santa Anita Winter-Spring Meet

Mr. Scheidt reported that Racing Affairs received the Los Alamitos winter meet package yesterday, and the Santa Anita proposal was received 4-5 days ago. He then briefly recapped those proposals.

D. Del Mar Ship and Win Recap

A recap of this year's Del Mar Ship and Win program was included in the board packet, and Mr. Scheidt briefly reviewed it.

VIII. Medication Committee

A. Uniform Medication Guidelines

Mr. Morris reported that the RMTC held a meeting Monday in Minnesota. In TOC's discussions with other horsemen's groups, the medication guidelines have been a topic of discussion. Working with Alan Forman of THA, we have insisted that all Jockey Club members be removed, which was put on record at the last meeting. A brief discussion ensued.

IX. Legislative Committee

A. Legislative Update

Mr. Morris indicated that an HRU meeting is planned for shortly after Breeders' Cup.

X. Race Meet Reports

Mr. Scheidt provided a brief report on the Santa Anita meet to date, a recap of the Fresno meet, and an update on the Golden Gate Fields meet to date.

XI. Executive Session (taken out of order following Item III.A.)

XII. Next Meeting

The next meeting will be Friday, November 14, 2014, 11:00 a.m. at Del Mar

XIII. Adjournment

The meeting adjourned to a second Executive Session at 3:20 p.m. and was adjourned at 3:40 p.m.