

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Friday, February 13, 2015 – 11:00 a.m.  
Santa Anita**

**MINUTES**

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

Directors Absent: Jim Cahill and George Todaro.

Staff Present: Joe Morris, Mary Forney, Richard Scheidt, and Jennifer Saavedra.

I. Call to Order

Mr. Morris called the meeting to order at 11:04 a.m.

II. Approval of Minutes

On a motion by Mr. Alexander, seconded by Mr. Lovingier, the minutes of January 9, 2015 were unanimously approved.

Mr. Morris then introduced and welcomed new TOC bookkeeper, Jennifer Saavedra, who started in January.

III. Executive Session

Then board adjourned to Executive Session.

IV. President's Report

A. Industry Update / Horse Count / Stabling

Mr. Morris provided an update on the most recent horse count and stabling situation. There are approximately 2,800 horses in southern California, up from 2,700 this time last year. He noted that he has been working with CTT on getting Galway open; and they are now accepting horses. He added that beginning in January a count is being taken for the North. In January, there were 1,175 at Golden Gate Fields and 299 at Pleasanton.

Mr. Morris then briefly discussed the recent situation with Golden Gate Fields informally proposing to go to a 3-day week, which we opposed and which was subsequently shelved.

B. Horse Recruitment

Mr. Morris reported that the CMC is starting the year-round Ship and Win horse recruitment program April 2. He added that the north does not have Ship and Win, but they will receive more funding to put towards their own recruitment

strategies. A lengthy discussion ensued regarding Golden Gate Fields handle and field sizes, the rate of voided claims, and claims voided after a horse bleeds.

C. NTRA 2015 Dues

Mr. Morris updated the board on the proposed NTRA dues for 2015 of \$158,784, noting that as part of our membership we have a seat on the NTRA board, participate in their handicapping contest, and are part of the RMTTC. NTRA also has a track safety alliance, a Thoroughbred aftercare program, and they are working to get the IRS to differently interpret the withholding and "signer" rules. Our dues were reduced this year (from \$191,048 in 2014) and will go down 12% again next year. On a motion by Mr. Moger, seconded by Ms. Walsh, the board unanimously approved the 2015 NTRA dues payment.

D. Santa Anita Park Proposal to Supplement San Antonio S.

Mr. Morris reported on the situation as it unfolded with regard to Santa Anita's request for funds to help supplement the San Antonio Stakes. He indicated to Santa Anita that we want to be good partners and would consider participating in ideas if they bring them to us ahead of time.

E. Mr. Scheidt reported on Santa Anita's request to take \$50,000 in purse money away from the San Juan Capistrano, which has been downgraded from Grade 2 to 3, and move it to the American Oaks to bump up that race's Grade 1 status (raising that purse from \$350,00 to \$400,000). On a motion by Ms. Walsh, seconded by Mr. Alexander, the board voted unanimously to approve.

V. ADW/Simulcast Committee

A. OTB Update

Mr. Morris reported that SCOTWINC handle is up 9% through yesterday, due in part to the new sites and Mr. Haines' efforts in visiting all sites. He added that we are seeing good growth, which indicates that the direction this board has pushed to open more OTBs is working. Mr. Morris also informed the board about recent rumors regarding CARF wanting to obtain an additional 1% for the fair sites through legislation. Meetings are scheduled with Mr. Korby and Mr. Ludt to come up with a plan to expand the Northern OTB network. Mr. Morris sent a proposal to both for consideration. He added that Sportech lost the tote contract, which transitions to Amtote in September, and we should know in three to five weeks whether Sportech plans to stay in California as partners in the OTBs.

Mr. Scheidt then updated the board on the current proposal in Northern California to help the OTBs on an individual basis with 1% of handle. CARF would like to hold those funds and do capital improvements as they see fit. Mr. Scheidt believes in order to incent the satellites, NOTWINC should hold the money for allocation in updating OTBs. The CHRB has set up a conference call next week to discuss this issue.

There was a brief discussion about fantasy football being promoted at the tracks, as well as the head-to-head wagering done online involving horse racing.

Mr. Morris then updated the board on the status of the ADW arbitration and noted that Mr. Couto is helping with arbitration proceedings with Twin Spires.

B. On-track Wagers, Stabling Deduction Update

Mr. Morris gave a brief update, indicating he is continuing to pursue regulation and methods for identifying addresses.

VI. Finance Committee

Mr. Morris gave a brief financial update.

VII. Owner Relations Committee

A. Annual Meeting/August Board Meeting Date Change

Mr. Wellman noted that the August board meeting and TOC Annual Meeting dates had been changed from August 21-22 to August 14-15 because Del Mar moved the date of the Pacific Classic to Saturday, August 22.

B. Santa Anita Open Forum March 14<sup>th</sup>

Mr. Wellman reminded board members of the upcoming Open Forum at Santa Anita.

C. Call for Nominees – 2014 Ed Friendly Industry Service Award

Board members were asked to consider nominating individuals for the 2014 Ed Friendly Industry Service Award.

VIII. Racing Affairs Committee

Mr. Scheidt gave a report on the latest projections with regard to Santa Anita, which indicate a slight underpayment.

He then reported that some owners have approached TOC staff about changing the Preference Date system, and we requested input on possible changes. Mr. Morris reviewed and explained some suggested language he prepared, which was included in the board packet. Following a lengthy discussion, a motion was made by Mr. Ellis to bring the proposed language to the racing secretaries for further discussion. The motion was seconded by Ms. Walsh and passed with one dissenting (Moger).

IX. Nominating Committee Report

Mr. Morris reported that there are five incumbents, and we have letters requesting to be nominated from Gary Fenton and Allen Aldrich. Nominations will be finalized on March 1.

X. Medication Committee

Mr. Morris reported that he would be meeting with Messrs. Arthur and Balch to continue work on the third-party Lasix protocol language.

XI. Race Meet Reports

Mr. Scheidt provided a brief update on meet-to-date numbers at Santa Anita and Golden Gate Fields. He also reported on a chip I.D. pilot program run by the CHRB that will take place later this year at Golden Gate Fields. He then updated the board

on efforts to revamp how we do the horse inventory counts; later this month he will be getting an accurate horse count by horse name, working with Golden Gate Fields and CARF.

Mr. Scheidt then reported that at a recent Stabling & Vanning meeting CARF proposed a vanning reimbursement for all of the racing fairs in 2015. Mr. Scheidt pointed out that in 2014 CARF proposed a plan that did not include all the fairs and the fund was in the red at that time. The board rejected that proposal in 2014. CARF estimates the 2015 proposal would cost approximately \$235,000; however, the Stabling & Vanning fund is still in the red. General discussion ensued with the board tabling the issue until the March meeting to review a fully vetted proposal.

A discussion then ensued regarding an item on the CHRB agenda, "discussion and action re: trainer to insure condition of horse to add owners of a ship-in horse as equally responsible for the condition of a horse." Mr. Ellis explained the origin of the proposal.

XII. Next Meeting

The next meeting will be Friday, March 13, 2015, 11:00 a.m. at Santa Anita

XIII. Adjournment

Mr. Morris adjourned the meeting was adjourned at 1:15 p.m.