

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Friday, October 16, 2015 – 11:00 a.m.  
Santa Anita**

**MINUTES**

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

Directors Absent: George Todaro.

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

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 August 14, 2015 and August 20, 2015 were unanimously approved.

III. CTBL New Insurance Update (Messrs. McKinzie and Lyon)

Mr. McKinzie of Finishline Insurance Group called in to provide a brief update on the new workers' compensation insurance company. He met with the CTT board yesterday and requested names of potential investors to contact. He hopes to have another investors' meeting in mid November with teleconference capability; at that time a decision could be made as to whether there is the financial wherewithal to go forward. He added that he and Mr. Lyon are currently researching the alternative possibility of keeping Finishline alive with owner participation. Mr. Alexander suggested that Mr. McKinzie attempt to get a core number of people to sign an expression of interest before the November meeting. Mr. Morris added that he will also re-contact those people on his initial list.

IV. President's Report

A. Industry Update / Horse Count

Mr. Morris reviewed the horse counts enclosed in the board packet. A discussion followed regarding the ideal to allow two-year-olds in to stabling facilities. Mr. Harrington noted that Los Al plans to run two-year-old races in April and would like to accept two-year-olds in January. He made a motion to allow two-year-olds into all auxiliary stabling facilities except the host track on Jan. 1, with a date of Feb. 1 for the host track. The motion was seconded by

Mr. Lovingier and passed with nine yeases, three nays (Alexander, Baffert, and Ellis) and two abstentions (Owens and Pegram).

B. Security Cameras Update

Mr. Morris reported that the security camera project is going forward, with Santa Anita and Del Mar committed to it. Discussions are still pending with Los Alamitos. Mr. Wellman recommended that we make sure there is consensus among all affected groups before we move forward.

C. Northern CA Stabling & Vanning Meeting, Pleasanton

Messrs. Morris and Scheidt provided an update on the current status of Northern California Stabling & Vanning. Mr. Scheidt reviewed the related documents included in the board packet, including numbers of stalls at Golden Gate and Pleasanton, projected revenue and balances for the Stabling & Vanning fund, etc. Mr. Morris added that TOC's opinion has always been that we will provide stabling for all California owners. We have a shortage, and new stalls must be built, but we are currently reviewing Golden Gate's and Pleasanton's requests and doing research on the issue. Following discussion, Mr. Pegram noted that this report was to bring the board up to date on the situation and no action is needed at this time.

D. Southern Calif. Stabling & Vanning Update

Discussed in executive session.

E. CHRB October Board Meeting Agenda

Mr. Morris reviewed the agenda for the upcoming CHRB board meeting. He noted that licenses for the Los Alamitos, Santa Anita, and Golden Gate meets are on it; however we do not yet have agreements with them in place. He also informed the board that there is a pari-mutuel committee meeting next week which includes a discussion on optimal takeout.

F. Takeout Rate Comparison Review

Mr. Scheidt reviewed the board packet handout on historical takeout rates. A discussion ensued regarding the pick 5 takeout rates history. It was also noted that the lower takeout on daily doubles did not produce the results we hoped for.

G. Del Mar Opening Day 2016

Mr. Morris reported that Del Mar requested to change the date for their opening day of the 2016 Summer Meet to Friday (from Thursday). With the 4<sup>th</sup> of July falling on a Monday next year, they will lose a day for setup after the Fair. Mr. Ellis suggested trading that Thursday for a day at the end of the meet, and it was agreed that TOC should go back to Del Mar and negotiate based on that recommendation.

V. Search Committee

- A. Update on Search for New President  
Mr. Alexander reported that the Search Committee has made a decision to recommend Nick Coukos for Joe's position. Mr. Alexander provided a brief biography on Mr. Coukos and said that he came out and interviewed on Saturday. He is available, and the plan is to have him come back and travel with Mr. Morris on the next horse count, work at the Santa Anita office a couple of days, and go to Golden Gate to work with Richard for a couple of days. He would be working on a visa as he is a Canadian citizen, but he would apply for a second visa to allow him to work as an employee. Mr. Pegram added that the committee also recommended hiring an additional consultant, who could work with the executive committee on legal and other matters. Ms. Walsh made a motion to approve hiring Mr. Coukos and an additional consultant; the motion was seconded by Mr. Baffert and unanimously approved.
  
- VI. ADW/Simulcast Committee
  - A. Northern and Southern California OTB Expansion Update  
Mr. Morris informed the board that he met with Messrs. Krikorian and Daruty, and CARF representatives and made some progress regarding OTB expansion in the North. He also gave an update on the status of upcoming OTB openings in the South.
  
  - B. Industry ADW Update  
Mr. Morris gave a brief report, noting that no hub agreements have been received yet in yet, prepared to file arbitration on each of them, Drew is still on that.
  
  - C. Discussion of Breeders' Cup Rate  
Mr. Morris noted that Del Mar is the California host this year, and the last time Breeders' Cup was out of state was 2011. We renegotiated the deal to be more favorable to TOC. Mr. Wellman requested for a future meeting a discussion regarding TVG and HRTV intentions – possibly having a TVG representative come in to a future meeting to explain where they are headed on future content.
  
- VII. Finance Committee  
Mr. Alexander provided a first quarter update. He also provided an update on the audit, which has been completed with no red flags. The auditor apologized for not having a complete copy available, but we will have it for the next meeting. Mr. Alexander congratulated Ms. Saavedra and Mr. Morris on the audit.
  
- VIII. Owner Relations Committee  
Mr. Wellman reminded the board of the Northern CA Annual Meeting on Saturday, Nov. 14 and encouraged attendance. He then provided a brief review of the October 1<sup>st</sup> CMC meeting.

- IX. Racing Affairs Committee
- A. Discussion and Vote on NorCal Participation Purse
- Mr. Scheidt provided a brief history of the participation purse and recapped the proposal for the North. He has been working very closely with the paymaster and recommends a raise to \$130. On a motion by Mr. Owens, seconded by Ms. Walsh, the board unanimously agreed. At Mr. Harrington's request, there was a brief additional discussion about the amount. Following discussion, the amount was left at \$130.
- Mr. Scheidt provided updates on the progress with race meet agreements for Golden Gate, Santa Anita and Los Alamitos.
- X. Medication Committee
- Mr. Morris reported that we got third party Lasix through, and he further reported on status of the uniform medication guidelines.
- XI. Legislative Committee
- Mr. Morris provided a brief legislative update.
- XII. Race Meet Reports
- Mr. Scheidt provided race meet reports for Santa Anita to date, Fresno through the first four days, LA County Fair meet final, the Del Mar summer meet final, Golden Gate summer meet final, Stockton meet final, and Santa Rosa final.
- XIII. Mr. Pegram thanked Mr. Morris for his two and a half years of service. The board then adjourned to Executive Session
- XIV. Next Meeting
- The next meeting will be Friday, November 13, 2015, 1:00 p.m. at Golden Gate Fields
- XV. Adjournment