

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, December 9, 2016 – 11:00 a.m.
Los Alamitos Race Course**

MINUTES

Board Members Present: Allen Aldrich, Nick Alexander, Bob Baffert, Joe Ciaglia, Ron Ellis (by phone), Gary Fenton, Mike Harrington, Terry Lovingier, Ed Moger, Jack Owens (by phone), Mike Pegram, Samantha Siegel (by phone), and Bill Strauss (by phone).

Board Members Absent: Mark Dedomenico and Kathy Walsh.

Staff Present: Greg Avioli, Mary Forney, and Liz Morey.

- I. Call to Order
Mr. Avioli called the meeting to order at 11:00 a.m.
- II. Approval of Minutes
On a motion by Mr. Harrington, seconded by Mr. Alexander, the minutes of November 10, 2016 were unanimously approved.
- III. Executive Session
The board adjourned to Executive Session during which the following actions were taken:
 - a. Mr. Pegram announced he was stepping down as Chairman. Following discussion, a motion was made by Allen Aldrich and seconded by Gary Fenton to appoint Nick Alexander as the new Chairman and Bill Strauss as Secretary/Treasurer. The motion carried unanimously.
 - b. Mr. Pegram made a motion to authorize management to require signed on track ADW geolocation agreements between each ADW and the TOC as a condition for TOC granting its horsemen consent for ADW by California residents on California hosted races as of December 26, 2016. Mr. Strauss seconded the motion which carried unanimously.
- IV. Ship & Win Update – Del Mar
Upon reconvening to full session, Messrs. Dado and Jerkins joined the meeting to make a presentation on the Ship & Win program at Del Mar. They provided historical information and reviewed the results of the program, after which they answered questions from the board. They also provided a recap of the recently completed Del Mar Fall meet.
- V. TOC Insurance Update – John Unick
Mr. Unick joined the meeting by phone to make a presentation on the TOC corporate insurance. Included in the presentation were explanations of D & O coverage limits and exposure, deductibles and exemptions, and workers' compensation covering

TOC employees. He then answered questions from the board. With respect to a question about third party liability insurance, Mr. Unick provided a brief explanation of what is available for individual owners to purchase, which he will discuss further with Mr. Avioli.

- VI. **Stabling & Vanning / Horse Counts**
Ms. Morey reviewed the horse counts in the North and South as part of her report for the Racing Affairs committee.

- VII. **NTRA**
Mr. Avioli reviewed NTRA's proposed agreement for TOC Advantage, which was provided as a handout to the board and which was endorsed by the Executive Committee at its meeting yesterday. A motion to accept the proposed agreement was made by Mr. Pegram, seconded by Mr. Strauss, and unanimously approved.

The board then reviewed the proposed consulting agreement with Metrical LLC, who will develop "sale development fees" in connection with the TOC/NTRA partnership, work with TOC to create platforms that can be monetized for new revenues, and market and sell TOC sponsorships and marketing affiliations. On a motion by Mr. Fenton, seconded by Mr. Baffert, the Consulting Agreement was unanimously approved.

- VIII. **TOC/CTBA Meeting Recap**
Mr. Lovingier provided a brief recap of the meeting last Friday with CTBA representatives focusing on ways the two organizations could work together in the future and responded to questions from the Board.

- IX. **CTBL / Workers' Comp Reimbursements to State Fund Insureds**
Ms. Forney provided a brief recap of the recent decision by the CTBL to provide an avenue whereby owner/trainers insured by State Fund for workers' comp will be able to request a refund of the \$95 per-start fee that is designated to go into the state-wide workers' compensation insurance fund for FinishLine Self Insurance Group.

- X. **Committee Reports**

A. **Finance/Compensation**

Mr. Alexander provided a brief financial update including November month-end totals.

B. **Wagering & Legislative Committee**

Mr. Avioli reviewed the proposal from Monarch to sell the California simulcast signal to Turf TV in the UK that was unanimously endorsed by the Wagering Committee. Following discussion, Mr. Moger made a motion to approve a one-year deal at \$1,000/day for Santa Anita and \$750/day for Golden Gate Fields. The motion was seconded by Mr. Lovingier and unanimously approved.

Mr. Avioli reviewed a proposal from Monarch for a tiered fee rate structure for the simulcast site "Elite #2," a copy of which was provided to the board and unanimously endorsed by the Wagering Committee. Mr. Pegram made a motion to approve the proposed rate structure for Elite 2 which was seconded by Mr. Fenton and unanimously approved.

C. Racing Affairs Committee

Ms. Morey provided a Racing Affairs committee report, which included a recap of the horse counts for November and a brief discussion of the stabling situation in the North. In response to question from the Board, Ms. Morey agreed to confirm with Mr. Morris that Golden Gate Fields will begin accepting two year olds on January 1. Ms. Morey then reported on the Graded Stakes Committee's recent meeting in Kentucky and the impact on California graded races by the approved 2017 gradings. She also reviewed revenue reports for Del Mar and Golden Gate Fields, which were provided to the board.

Mr. Avioli commended Mr. Fenton for his follow up with Del Mar on behalf of the TOC regarding concerns from the betting public over payouts on the closing day consolation ticket of the Del Mar Pick 6. He noted that those conversations were instrumental in Del Mar's decision to pay the consolation tickets at the track's expense.

XI. Next Meeting

The next meeting is scheduled for Thursday, January 19, 2017 at 11:00 a.m. at Santa Anita.

XII. Adjournment

The meeting was adjourned by Mr. Avioli at 1:30 p.m.