

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Friday, December 6, 2019 – 11:00 a.m.  
Los Alamitos**

**MINUTES**

Directors Attending: Allen Aldrich (by phone), Nick Alexander, Bob Baffert (by phone), Joe Ciaglia (by phone), Gary Fenton, Rick Gold (by phone), Mike Harrington, Terry Lovingier, Ed Moger (by phone), Jack Owens (by phone), Richard Rosenberg (by phone), Samantha Siegel (by phone), and Bill Strauss (by phone).

Directors Absent: Jeff Bloom and Bob Liewald.

Staff Attending: Greg Avioli, Mary Forney, Joe Hasson, and Patricia Chinnici.

Guests Attending: Dr. Ed Allred and Jack Liebau (Los Alamitos), John Hindman and Kip Levin (TVG-FanDuel).

I. Welcome and Introduction of Dr. Allred and Jack Liebau  
Mr. Alexander informed the board about his recent meeting with Dr. Allred, and he thanked him on behalf of the board for all Los Alamitos is doing for our industry. Dr. Allred then made some brief comments, after which he and Mr. Liebau left the meeting.

II. Approval of Minutes  
On a motion by Mr. Fenton, seconded by Mr. Alexander, the minutes of November 14, 2019 and November 19, 2019 were unanimously approved.

III. ADW Hub Agreements One-Year Extension and TVG / FanDuel Presentation  
Mr. Avioli updated the board regarding the ballot initiative on sports wagering, which is being introduced by the California Tribes. He also informed the board that we are working on renewals of the hub agreements with the ADW providers but are planning to execute a one-year renewal this year and work on a long-term agreement to begin in 2021.

John Hindman and Kip Levin of TVG-FanDuel joined the meeting to discuss their company structure, development, and goals. He explained their new FanDuel racing app and spoke briefly about their position on the Tribal ballot initiative in its current form. They then answered questions from the board, and a discussion ensued.

After Messrs. Hindman and Levin left the meeting, Mr. Avioli reviewed the sample hub agreement and memo on hub fee rates, which were provided to the board. Mr.

Hasson then reviewed the memo from Game Play Network, which was provided to the board, outlining the hub agreement and the wagering format for Game Play Network.

Following discussion, Mr. Alexander made a motion to approve one-year extensions of the hub agreements for ADW providers TVG, XpressBet, TwinSpires, NYRA, BetAmerica, Watch and Wager, and Game Play Network at the rates listed on page 2-1 of the board meeting packet. The motion was seconded by Mr. Fenton and unanimously approved.

IV. Legislative Report

A. Sports Wagering Update

Mr. Avioli informed the board of the timeline for the Tribes putting forward their sports wagering proposal.

V. Proposal for TOC to Join National Safety Coalition

Mr. Avioli reviewed the initiative for a national safety coalition, which represents an attempt to counter the Jockey Club federal medication bill. A memo on the national proposal was included in the board packet. Following discussion, it was the decision of the board that at this point TOC should remain neutral and that a subcommittee be formed to study the proposal further and develop a position.

VI. Proposal for New CA Industry Government Affairs Firm

Mr. Avioli reviewed a proposal for a new California industry government affairs firm, a copy of which was provided to the board. He discussed possible methods for California funding a portion of the costs for the firm, noting it would be funded through the CMC remaining funds or the newly formed marketing co-op with Santa Anita and Del Mar and would therefore have no budgetary effect for TOC. Mr. Lovingier made a motion to approve up to \$12,500 per month for co-op spending, which was seconded by Mr. Fenton and passed unanimously.

VII. Stabling & Vanning Update

Mr. Avioli reviewed the Stabling & Vanning operational plan, which was provided to the CHRB and included in the board packet for this meeting. He also updated the board on his discussions with Mr. Hasson earlier today regarding the Thoroughbred horse count at Los Alamitos and plans to work with Los Alamitos to possibly reduce the stabling cost at that facility.

VIII. CHRB Update

A. Northern CA Race Dates

Mr. Avioli updated the board on the status of Northern California race dates discussions at the November CHRB board meeting. He clarified that the TOC position has been to support summer stabling at Golden Gate Fields without taking a specific stance regarding race dates or un-overlapped weeks.

Following discussion, Mr. Aldrich made a motion to support summer stabling

at Golden Gate Fields provided there is a business agreement between CARF and Golden Gate to pay to keep Golden Gate open during the summer. The motion was seconded by Mr. Lovingier and unanimously approved.

**B. Proposed Reforms**

Mr. Avioli reviewed CHRB's list of proposed reforms, which was provided to the board. Mr. Gold updated the board on the recent meeting of the Medication Committee on these proposals, summarizing the committee's discussions and noting that it was felt that some of the proposals were too vague.

The board then reviewed an email from the Jockeys' Guild regarding use of the riding crop, which was forwarded to the board by Mr. Alexander. Mr. Alexander explained that it was the Jockey's Guild effort to propose middle of the road language that could be approved by the CHRB and that still allows for use of the riding crop for safety.

Following discussion, Mr. Alexander moved that we support language the jockeys are comfortable with regarding the use of the whip, which we will support at the CHRB meeting. The motion was seconded by Mr. Gold and passed with three nays (Harrington, Lovingier, and Rosenberg). Mr. Avioli recommended a board call before the CHRB meeting if necessary to review any changes by the Jockey's Guild to the language.

**IX. CTBL Board Meeting / PostTime Insurance Report**

Mr. Avioli reviewed the recent CTBL board meeting, at which PostTime Insurance made a presentation indicating they need approximately \$2.7 million to meet their required reserves so they may continue as an entity under the laws of the state of California. Mr. Avioli informed the board that the CTBL board recently agreed to provide a \$600,000 subsidy; however, PostTime has also asked for a 20% increase in the trainer day rate and owner per-start fee. We have agreed to participate in an intensive 60-day work group that will report back to the CTBL on methods to control spending for workers' comp insurance.

Mr. Hasson reviewed his research into the level of oversight currently employed at the tracks with regard to safety, particularly during training hours, as well as his goals for making improvements. Mr. Alexander recommended that Mr. Hasson head up a program to make recommendations for changes to reduce catastrophic injuries and cost of workers' compensation insurance.

**X. Finance Committee**

Ms. Chinnici provided a report on November and year to date financials.

**XI. Wagering Committee Report**

Tabled to next meeting, at which time we will discuss the amount being wagered by Elite.

XII. Racing Affairs

A. Purse Account Status Statewide

Mr. Avioli reviewed the statewide purse report, which was included in the board packet.

B. Del Mar Fall Recap

Included in board packet.

C. Santa Anita Horsemen's Agreement & Purse Schedules

Mr. Fenton reviewed the stakes and overnights proposals for the upcoming Santa Anita winter-spring meet, which were provided to the board.

XIII. TOC 2020 Events & Board Meeting Calendars

Calendars for 2020 TOC events and board meetings were provided to the board; and board members were asked to contact Ms. Forney if they had any issues with the calendars.

XIV. Executive Session

A. Staff Year-End Bonuses

XV. Adjournment