

Cloverleaf Standardbred Owners' Association, Inc.

Annual Meeting – February 24, 2016

Kent Island Holiday Inn Express, Grasonville, MD

Present:	President	Thomas Cooke	
	1 st VP	William Long	
	2 nd VP	Jerry Nock	
	Executive VP	Sharon L. Roberts	
	Executive Benefits Coord:	Gina Maybee	
Directors:	Kenneth Schlotzhauer	Eli Solomon	
	William Spicer	Gary White	
Absent:	Daniel Bittle Jr.	William DeLodovico	Gary Ewing
	Dan Myer		

President Thomas Cooke called the meeting to order at 6:00 pm.

Approval of December 10, 2015

Motion 1: A motion was made by William Long, seconded by Gary White to approve the December 10, 2015 minutes. The vote was unanimous. The motion carried.

The January 2016 meeting was cancelled due to weather (snow).

President's Recap Message on 2015:

President Thomas Cooke recapped the 2015 year. One of our fellow horsemen "Shawn Armour" passed away on December 3, 2015 at the age of 41. President Cooke regrets not taking the time to know Shawn better. We are all so busy that we don't stop to really know our fellow horsemen.

The number 1 issue for 2015 and 2016 for the lack of certainty for the Standardbred Industry in Maryland.

MJC wants to open an OTB at the Timonium Fair Grounds. The community was not notified in advance of the intent to open an OTB and MJC is meeting with the community to address their concerns over the OTB.

There is a restaurant in Frederick County that has an interest in becoming an OTB. Bethesda and Western Maryland have also been mentioned as OTB locations.

MJC is putting a lot of money into Laurel Race track. After the OTB in Timonium is completed they will focus on Pimlico.

Ocean Downs Meeting: The Ocean Downs 2015 meet was a success. On February 22, 2016 Tom Cooke, Bill Fasy, Joe Cavilla, Peter Szymanski, Gina Maybee and Sharon Roberts held a conference call.

As of June 30, 2016 we anticipate \$3M in the purse account for the 2016 OD Meet. Purse structure will be \$50,000 a day. Last year it was \$43,000 a day.

The "On Track Drivers Insurance" will stay at \$3.50 per start.

The 2016 Ocean Downs meet will start June 12, 2016 and ends September 5, 2016, Labor Day.

The 50% Bonus will continue this year.

Ocean Downs makes money when there is live horse racing.

Ocean Downs is looking into Direct Deposit.

RCR Update:

RCR will be giving a 20% bonus starting at the March 8, 2016 meet.

Election Committee Report:

William Spicer, Chair

Jerry Nock

Kenneth Schlotzhauer

The Election Committee Report 2016 will be attached to the permanent minutes.

Owner Category:

William DeLodovico 1 vote (There was one seat open and no opposition)

Trainers Category:

Gary Ewing 39 votes

Frank Milby 75 votes

Total Ballots 114

Invalid Ballots 2

44% of the membership voted.

Results of the election are:

William DeLodovico elected to a three (3) year term in the Owners Category

Frank Milby elected to a three (3) year term in the Trainers Category

Jackie MacLeod stated that Roland Offutt did not receive a ballot. After some research Gina Maybee reported that Roland Offutt does not have a current MRC license therefore he did not receive a ballot. The CSOA By Laws state you have to have a MRC License in order vote.

Legal Representation:

President Cooke reminded the Board that we do not have an attorney on retainer.

Question: When a Simulcasting signal can be moved, is it with the horsemen's permission?

Tom Cooke will do his best to conduct appropriate the Legal research on the simulcasting signal without any additional expense to CSOA.

CSOA Health Benefit Fund: Last year HB 1176 was passed. This bill follows the thoroughbred language that allows up to 2% of the open purses to be used by the horsemen's group that represents the majority of Standardbred horsemen in the state. The money cannot be used for Lobbying and Legal Fees. Reimbursement goes through DLLR before being paid. There must be a Certified Audit.

CSOA has a Certified Audit this year instead of a Review. The Review was \$3,500 and the Audit is \$4,700.

During the Financing Committee Meeting Sharon Roberts brought to the committee's attention that the money used to open the CSOA Health Benefit Fund was CSOA money and if it is left in that account it will be considered "restricted funds". There is \$50,004 in the account. President Cook and Treasurer Dan Bittle suggested taking \$49,000 out of the account and moving the funds to the CSOA Operating Account.

Motion 2: A motion was made by Eli Solomon, seconded by Jerry Nock to move \$49,000 out of the CSOA Health Benefits Account to the CSOA Operating Account. The vote was unanimous. The motion carried.

Proxy Tax: During the year it was brought to Sharon Roberts' attention that the Federal Law had changed addressing Proxy Tax. When Franklin Goldstein represented CSOA as Legal Counsel and Lobbyist, under the Lobby Fees we were able to divide the Lobbying fees between Lobbying and Legislative Representation. When calculating the Proxy Tax it would be as follows:

Lobby Fees

Minus Membership Dues

Balance multiplied by 35% equaled the total proxy tax owed.

Moving forward anything to do with legislation and lobbying is taxed at the 35% minus the membership dues collected.

The Proxy Tax on lobbying for 2015 was \$15,233.

Sharon Roberts has lowered the amount in the CSOA 2016 Proposed budget for Lobbying to \$25,000.

CSOA Proposed 2016 Budget:

Sharon Roberts distributed the CSOA Proposed 2016 Budget to the Board.

Due to the uncertainty of Rosecroft line items has been included in the budget for CSOA office rent, utilities, maintenance and rent received from MSHAF for 7 months of the remaining budget year.

Motion 3: A motion was made by Eli Solomon, seconded by Jerry Nock to approve the CSOA 2016 Proposed Budget. The vote was unanimous. The motion carried.

Legislation Entered: The Board was updated on legislation that Delegate Jay Walker entered to benefit the Preakness winners which would be funded from the Lottery Marketing Fund.

There is a bill entered to take Child Support out of pari-mutual winnings.

The meeting recessed at 7:37 pm.

The meeting reconvened at 7:57 pm.

CSOA Audit for the year ending October 31, 2015:

Sharon Roberts distributed CSOA Audit for the year ending October 31, 2015, the December 14, 2015 Engagement Letter and the February 21, 2016 Board Letter from the Auditor to the Board.

Sharon Roberts reviewed and answered questions. Upon the review an adding error was discovered on ***“page 4 in the 2014 year column. The Total Support Services – General should be \$118,672 instead of \$200,081”***.

Motion 4: A motion was made by Eli Solomon, seconded by Jerry Nock to accept the CSOA Audit for the year ending October 31, 2015 with the corrected amount of \$118,672 in Total Support Services. The vote was unanimous. The motion carried.

Director’s Resignation: Sharon Roberts read the letter of resignation from Director Jackie MacLeod to the Board.

Sharon Roberts and Thomas Cooke thanked Directors Jackie MacLeod and Gary Ewing for all their years of service on the CSOA Board.

2016 MSS and MSRF Dates:

The MSS and MSRF dates are set. The question was asked of Jackie MacLeod why are the MSS 2 year olds race first and then 3 year olds. There were concerns of the 2 year olds racing 8 out of 9 weeks.

There has been an issue with horsemen not receiving advanced notice of the Advisory Board meetings.

MSRF Advisory Board: - Gary White updated the Board that the Breeders and Stallion Bonus money would be available by December 15, 2016.

Mike Hopkins is looking into Direct Deposit that maybe a solution on receiving the Breeders and Stallion Bonus timelier.

President Cooke requested if it was possible to send a statement out saying what you are going to receive in Breeders & Stallion Bonus (8% breeders 2% Stallion).

People would like to expense the bonus in the year it's earned.

The Breeders and Stallion Bonus for 2015 was \$93,000.

Thomas Cooke updated the Board on a proposal to offer a special series of races for young horses at RCR. Tom took the subject to Pete Hanley and there was not much interest. Pete expressed concern over the Maryland horse population.

Ocean Downs May Training: President Cooke reported that both boards CSOA and MSBA agreed to the following:

May 2016 - 8 days of training at Ocean Downs

Total Cost of Training \$8,000

Ocean Downs will cover \$4,000

CSOA will cover \$2,000

MSBA will cover \$2,000

Adjournment:

Motion 5: A motion was made by Jerry Nock, seconded by Kenny Schlotzhauer to adjourn the meeting. The vote was unanimous. The meeting adjourned at 8:46 pm.

Respectfully submitted by,

Sharon L. Roberts

Executive VP