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VIRGINIA RACING COMMISSION

September 9, 2015

PATRICK HENRY BUILDING  
EAST READING ROOM  
1111 EAST BROAD STREET  
RICHMOND, VA 23219

Commencing at 10:00 a.m.

**COMMISSION MEMBERS:**

J. Sargeant Reynolds, Jr., Chairman  
D.G. Van Clief, Jr., Vice Chairman  
Carol G. Dawson  
I. Clinton Miller  
Charles W. Steger, PhD

**COMMISSION STAFF:**

Bernard J. Hettel, Executive Secretary  
C. Richard Harden, DVM, Equine Medical Director  
David S. Lermond, Deputy Executive Secretary  
Courtney C. Reid, Program Support Technician  
Kimberly C. Mackey, Office Administrator

**OFFICE OF AGRICULTURE AND FORESTRY:**

Sam Towell, Deputy Secretary of Agriculture and Forestry

**ATTORNEY GENERAL'S OFFICE:**

Joshua Laws, Esquire

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## I N D E X

	Page
1	
2	
3	1. Call to Order 3
4	2. Administrative Process Act Hearing 3
5	a. Limited license application of the Virginia Equine Alliance, Inc.
6	3. Approval of July 29 meeting minutes 10
7	
8	4. New Business
9	a. Approval of HBPA and Virginia Gold Cup 12
10	b. Approval of VHHA and Virginia Equine Alliance contract 15
11	c. Approval of Racing Officials
12	i. Virginia Downs at Great Meadow 16
13	ii. Oak Ridge 17
14	iii. International Gold Cup 18
15	d. Virginia Breeders Fund
16	i. Approval of 2015 Expenditures for Standardbred 21
17	
18	
19	
20	
21	
22	
23	
24	
25	
	5. Public Comment Period 22
	6. Commissioners' Comments 34
	7. Closed Session 51
	8. Adjournment 51

1           MR. REYNOLDS: Good morning, everybody.  
2           Welcome to the Virginia Racing Commission meeting,  
3           Wednesday, September 9<sup>th</sup>. I'd like to call the  
4           meeting to order. The first order of business is  
5           to have a hearing on the Virginia Equine Alliance's  
6           limited license application to I think run at Great  
7           Meadow, and I would ask that Mr. Hannum, would you  
8           like to come up and speak to this application?

9           MR. HANNUM: Thank you, Mr. Chairman.

10          MR. REYNOLDS: And remain for questions  
11          afterwards.

12          MR. HANNUM: Sure.

13          MR. LAWS: Excuse me. Can we note for the  
14          record that all of the commissioners are present?

15          MR. REYNOLDS: For the record, all of the  
16          commissioners are present.

17          NOTE: The witness is sworn.

18          **JEB HANNUM**, called as a witness by the  
19          Commission, first being duly sworn, testifies as  
20          follows:

21          MR. HANNUM: Thank you, Mr. Chairman. So the  
22          Virginia Equine Alliance submitted to the  
23          Commission on August 17<sup>th</sup>, an application to run  
24          four days of harness racing at Oak Ridge in Nelson  
25          County, so this is for the harness meet.

1           The Equine Alliance would be the operator and  
2 holder of the limited license. We would be at Oak  
3 Ridge Estate, which as you all remember, hosted  
4 pari-mutuel racing a number of years ago. The  
5 Holland family has maintained the facility to a  
6 very high standard during the time there was not  
7 any racing. They are going to be handling the  
8 front side activities, the marketing of the event,  
9 and the Equine Alliance will be handling the racing  
10 side of the meet.

11           We worked very closely with the Commission  
12 staff over the past two months. We're all working  
13 on a very tight timeline to put this meet together,  
14 which is very important for the harness horsemen  
15 and breeders to have this opportunity.

16           The Commission staff attended two site tours of  
17 the facility to determine what sort of improvements  
18 needed to be made to the track to determine where  
19 the Commission office and stable area will be, to  
20 determine where the pari-mutuel facilities will be,  
21 et cetera. So all those things were done through  
22 two visits, of which your staff was in attendance  
23 both times.

24           So you received a comprehensive application  
25 which followed the regulations as set forth as to a

1 limited license. If you have any questions on  
2 that, I can address those.

3 Mrs. Holland is supposed to be here today. I  
4 don't see her yet, but again, just to reiterate  
5 that the Holland family is very enthusiastic to  
6 have racing come back to their site, and we look at  
7 this as a long-term partnership between the Equine  
8 Alliance and Oak Ridge to have a suitable place for  
9 harness racing in the state. So thank you.

10 MR. REYNOLDS: Thank you. Mr. Hettel, is this  
11 -- from an administrative point of view, have you  
12 all reviewed this application and is it fully  
13 completed and do you have any comments or  
14 questions?

15 MR. HETTEL: It has been completed. Luckily,  
16 we were part of the collaborative process on  
17 reviewing submissions. It's complete and ready to  
18 go, and I urge approval of this application.

19 MR. REYNOLDS: Thank you. Are there any  
20 questions or comments from commissioners?

21 MS. DAWSON: I have one question. We received  
22 this contract with American Teletimer Corporation.  
23 Is that part of the application?

24 MR. HANNUM: Yes. The application asked that  
25 all of the relevant contracts be provided within

1 the submission.

2 MS. DAWSON: Okay. So that's part of the  
3 record.

4 MR. HANNUM: So at the time that we filed on  
5 August 17<sup>th</sup>, we were still selecting vendors for  
6 various, you know, elements of the day. So  
7 American Teletimer hadn't been signed on yet, so  
8 their contract was forwarded to you.

9 We had signed a contract with the audio company  
10 which was subsequently sent to the Commission, as  
11 well as a video company, so we wanted to get the  
12 bulk of the application in as quickly as possible,  
13 and then we followed up with coordinating a day on  
14 the other pieces.

15 MS. DAWSON: Thank you.

16 MR. REYNOLDS: Any other questions from the  
17 other commissioners?

18 MR. LAWS: I have a couple of questions for  
19 you, Mr. Hannum. When you submitted your  
20 application, I know the Commission staff and I  
21 provided the commissioners with copies of the  
22 Virginia administrative code and the code of  
23 Virginia, the statutes that are relevant to these  
24 proceedings, so they looked at different statutes  
25 and different code sections to see what factors

1 they had to look at to evaluate this application,  
2 and I had a couple of questions about the factors  
3 listed in 11 Virginia Administrative Code 10-30-40  
4 that the Commission is required to look at these  
5 factors in evaluating this application.

6 Has the VEA ever applied for an owner's license  
7 before today?

8 MR. HANNUM: No.

9 MR. LAWS: Since they never applied for it,  
10 they never received it?

11 MR. HANNUM: That's correct.

12 MR. LAWS: So they never turned one in because  
13 they never had one; is that correct?

14 MR. HANNUM: Correct.

15 MR. LAWS: Have they ever applied for an  
16 operator's license?

17 MR. HANNUM: No.

18 MR. LAWS: So since they haven't applied for  
19 one, they've never received one or returned one; is  
20 that correct?

21 MR. HANNUM: That's correct.

22 MR. LAWS: Have they ever applied for a  
23 satellite wagering facility license?

24 MR. HANNUM: No. We have not.

25 MR. LAWS: So if they haven't applied for one,

1 they haven't received one and haven't returned one;  
2 is that correct?

3 MR. HANNUM: That's correct.

4 MR. LAWS: Has the VEA applied for an advanced  
5 deposit account wagering license?

6 MR. HANNUM: No. We have not.

7 MR. LAWS: And having never applied for one and  
8 never receiving one, you've never turned one in; is  
9 that correct?

10 MR. HANNUM: That is correct.

11 MR. LAWS: Thank you. I don't have any other  
12 questions, Commissioner.

13 MR. REYNOLDS: Okay. Thank you. Before I call  
14 for questions, there are no other comments from my  
15 fellow commissioners?

16 Hearing none, I'd like to seek a motion to  
17 approve a limited license application with Virginia  
18 Equine Alliance, Incorporated. Do I hear a motion  
19 for approval?

20 MR. VAN CLIEF: I'll move to approve.

21 MS. DAWSON: Second.

22 MR. REYNOLDS: Second.

23 MR. LAWS: I just wanted to again reiterate to  
24 the Commission in 11 VAC 10-30-40 subsection C, the  
25 issuance of a limited license. It says, in issuing

1 a limited license to an applicant, the Commission  
2 shall designate in writing the location of the  
3 facility where the horse racing and pari-mutuel  
4 privileges shall take place, the total number of  
5 racing days assigned, the dates within which the  
6 racings days are to be conducted, the dark days,  
7 the breed or breeds to be utilized, the type or  
8 types of racing to be offered, and the hours of  
9 racing.

10 My understanding is that the application  
11 contains that information, and the Commission will  
12 issue a written decision in accordance with the  
13 motion the Commission passes today, which will  
14 contain an analysis of factors in the notice, and  
15 also information in subsections.

16 Does the Commission have any questions or any  
17 comments about the number of racing days assigned,  
18 dates, dark dates, breeds, type of racing or hours  
19 of racing?

20 MR. REYNOLDS: Any questions? Hearing none, I  
21 have a motion on the table and a second. All those  
22 commissioners in favor, indicate by saying aye.

23 NOTE: The Commission votes aye.

24 MR. REYNOLDS: Those opposed? Hearing none,  
25 the motion passes unanimously. Thank you.

1           Congratulations.

2           MR. HANNUM: Thank you, Mr. Chairman.

3           MR. REYNOLDS: Next on the agenda is the  
4 approval of the July 29<sup>th</sup> meeting minutes.  
5 Commissioners can find that behind Tab Two. Are  
6 there any additions or corrections to the  
7 July 29<sup>th</sup>, 2015 minutes? Do you have anything?  
8 Vice Chairman Van Clief, you have a question?

9           MR. VAN CLIEF: I do. This is not with regards  
10 to the correctness, completeness for format. It is  
11 actually in regards to some of the content, and as  
12 a matter of follow-up, I wanted to ask Mr.  
13 Petramalo a couple of questions.

14           Number one, could you bring us up to date on  
15 the status of the stakes races to be run in  
16 Maryland, which were referred to in the minutes?

17           MR. PETRAMALO: Yes. The Derby and the Turf  
18 Cup will be run on Saturday the 19<sup>th</sup>, and the Oaks  
19 will be run the following Saturday, which would be  
20 the 26<sup>th</sup>. Also on the 26<sup>th</sup>, we will have our five  
21 Virginia-bred stakes races. So there are two big  
22 days of racing at Laurel, which are pretty much  
23 devoted to races we used to have here in Virginia.

24           MR. VAN CLIEF: Thanks. I think those had not  
25 quite been finalized at the last meeting, so --

1 MR. PETRAMALO: That's correct.

2 MR. VAN CLIEF: Perfect. The other issue --  
3 this is also for Mr. Petramalo. Reading through  
4 the minutes, we were asked to approve the VEA  
5 budget at the last meeting, which we did,  
6 contingent on the VHBPA board's action to forgive a  
7 \$45,000 amount that had been earmarked for  
8 governmental action.

9 MR. PETRAMALO: Yes.

10 MR. VAN CLIEF: Has that been done?

11 MR. PETRAMALO: Yes. I made that  
12 recommendation to the board at our meeting ten days  
13 ago and the board approved it.

14 MR. VAN CLIEF: Okay. Thank you very much.  
15 Mr. Chairman, for the record, that finalizes our  
16 approval of the VEA budget.

17 MR. REYNOLDS: Okay. Very good. Okay. Are  
18 there any additional comments, additions or  
19 corrections to the minutes from July 29<sup>th</sup>? Hearing  
20 none, I'll entertain a motion to approve the  
21 minutes for July 29<sup>th</sup>, 2015.

22 MS. DAWSON: So moved.

23 MR. REYNOLDS: Do I hear a second?

24 MR. VAN CLIEF: Second.

25 MR. REYNOLDS: All right. All those in favor,

1 say aye.

2 NOTE: The Commission votes aye.

3 MR. REYNOLDS: Those opposed? Hearing none,  
4 the minutes are approved unanimously. Thank you  
5 all.

6 Next, we'll move on to new business, and the  
7 first order of business is the approval of the HBPA  
8 and Virginia Gold Cup contract. Commissioners, you  
9 will find that behind Tab Number Three, and I'd  
10 like to point out that in the back of it, there is  
11 an amendment that is included in this contract to  
12 the 2015 horsemen's agreement between the Virginia  
13 Gold Cup and the Virginia HBPA.

14 I don't know if the commissioners have seen  
15 that or not. I think that was included earlier, so  
16 hopefully you all have had a chance to review that.  
17 Are there any questions pertaining to this contract  
18 from the commissioners?

19 Mr. Petramalo.

20 MR. PETRAMALO: Just for the sake of clarity,  
21 we're talking about two different contracts. The  
22 first contract, Commissioner, Chairman, is the  
23 contract between the VHBPA and the Gold Cup for the  
24 one day of flat racing on September 20<sup>th</sup>.

25 Basically in the contract, we agree that we

1 will put up \$150,000 for purses.

2 The second document that you referred to is an  
3 amendment to our earlier HBPA contract with the  
4 Gold Cup that covered the two days of steeple chase  
5 and flat racing in May and October.

6 MR. REYNOLDS: So this is not an amendment to  
7 the first page?

8 MR. PETRAMALO: No. It is not. It's an  
9 amendment to the earlier contract. It's just  
10 basically a technical amendment to take care of  
11 something that we omitted.

12 MR. REYNOLDS: Okay. So I think we probably  
13 need to act on those separately?

14 MR. PETRAMALO: Yes. I would think so.

15 MR. REYNOLDS: Thank you. Thank you for  
16 clarifying that. Are there any questions or  
17 comments from commissioners?

18 MR. VAN CLIEF: Mr. Chairman, a technicality.  
19 At the last meeting when we considered contract  
20 approval -- and maybe I should be directing this to  
21 counsel.

22 The suggestion was made that while the  
23 Commission is in the business of approving dates,  
24 licenses, budgets and so forth, we're not  
25 necessarily, nor should we be consistently in the

1 business of approving contracts between industry  
2 parties. Where do we stand with regard to the  
3 agenda this morning?

4 MR. LAWS: With these two, with the first  
5 contract and the second addendum under 59.1-369  
6 Subsection 14, the Commission has to approve  
7 contracts involving prizes and purses, so this is  
8 one of the few areas where the Commission actually  
9 would need to get involved and give express  
10 permission.

11 Frank, would you agree with that?

12 MR. PETRAMALO: Yes. I do. I agree.

13 MR. REYNOLDS: Any other comments? Hearing  
14 none, we'll make two motions.

15 The first motion, I'd like to entertain a  
16 motion to approve the contract, 2015 flat racing  
17 agreement between the Virginia Gold Cup and the  
18 Virginia Horsemen's Benevolent and Protective  
19 Association. Do I hear a motion to seek approval?

20 DR. STEGER: So moved.

21 MR. REYNOLDS: Do I hear a second?

22 MR. MILLER: Second.

23 MR. REYNOLDS: Any comments? Hearing none, all  
24 those in favor, say aye.

25 NOTE: The Commission votes aye.

1 MR. REYNOLDS: Those opposed? Hearing none,  
2 the motion is approved unanimously.

3 Now I'd like to entertain a motion to approve  
4 the amendment to the 2015 horsemens agreement  
5 between the Virginia Gold Cup and the Virginia  
6 HBPA.

7 MR. VAN CLIEF: I move approval.

8 MR. REYNOLDS: Do I hear a second?

9 MS. DAWSON: Second.

10 MR. REYNOLDS: Any comments? Hearing none, all  
11 those in favor, say aye.

12 NOTE: The Commission votes aye.

13 MR. REYNOLDS: Any opposed? Hearing none, the  
14 motion approves unanimously. Okay. Thank you.

15 Next on the agenda behind Tab Four is the  
16 approval of the VHHA and the Virginia Equine  
17 Alliance contract. Commissioners have any  
18 questions or comments about this contract?

19 Okay. Hearing none, I'd like to entertain a  
20 motion to approve the 2015 race agreement between  
21 the Virginia Equine Alliance and the Virginia  
22 Harness Horse Association. I'd like to entertain a  
23 motion.

24 MS. DAWSON: So moved.

25 MR. VAN CLIEF: Second.

1 MR. REYNOLDS: Second. Any comments? All  
2 those in favor, say aye.

3 NOTE: The Commission votes aye.

4 MR. REYNOLDS: Those opposed, say no. Hearing  
5 none, this motion passes unanimously.

6 Okay. Now we move to the approval of racing  
7 officials. Behind Tab Five, you'll find the  
8 suggested slate of the race officials for the 2015  
9 Virginia Downs races.

10 Mr. Hettel, have you reviewed this list?

11 MR. HETTEL: Yes, sir, and I've been a part of  
12 the compilation of these. They are all veteran  
13 officials and are all competent and I approve them  
14 all.

15 MR. REYNOLDS: So the administration is okay  
16 with these?

17 MR. HETTEL: Yes, sir. They are.

18 MR. REYNOLDS: Do the commissioners have any  
19 questions about these race officials? Hearing  
20 none, I'd like to entertain a motion to approve the  
21 race officials for 2015 Virginia Downs races.

22 MR. VAN CLIEF: So moved.

23 MR. REYNOLDS: Do I hear a second?

24 MR. MILLER: Second.

25 DR. STEGER: Second.

1           MR. REYNOLDS: Any comments? All those in  
2 favor, say aye.

3                         NOTE: The Commission votes aye.

4           MR. REYNOLDS: Those opposed? Hearing none,  
5 the motion passes unanimously.

6           Next will be the approval of the Oak Ridge  
7 racing officials behind Tab Six. Mr. Hettel.

8           MR. HETTEL: The Oak Ridge officials are  
9 complete. Took a while to get some of these spots  
10 because of its new location. Everybody included on  
11 this list is competent and accredited to be in  
12 these positions, and I suggest approval of this  
13 list.

14           MR. REYNOLDS: Are there any questions or  
15 comments from the commissioners? Hearing none, I'd  
16 like to seek a motion for approval of the 2015 Oak  
17 Ridge officials.

18           MR. VAN CLIEF: So moved.

19           MR. REYNOLDS: Do I hear a second?

20           MS. DAWSON: Second.

21           MR. REYNOLDS: Any comments? All those in  
22 favor, say aye.

23                         NOTE: The Commission votes aye.

24           MR. REYNOLDS: All those opposed? Hearing  
25 none, the motion carries unanimously.

1           Next behind Tab Seven, the racing officials.  
2 Tab Seven. Excuse me. The race officials for the  
3 International Gold Cup. Mr. Hettel, do you have  
4 any comments?

5           MR. HETTEL: Again, sir, they are all  
6 accredited in the positions and all demonstrated a  
7 competency to perform. I suggest approval.

8           MR. REYNOLDS: Okay.

9           MS. DAWSON: Mr. Chairman.

10          MR. REYNOLDS: Commissioner Dawson.

11          MS. DAWSON: Yes. I just wanted to note that  
12 under Patrol Judges, there is a blank, a list of  
13 names, and then there is a Mr. and then no name.

14          MR. REYNOLDS: Do you see that, Mr. Hettel? On  
15 Patrol Judges on the right.

16          MR. HETTEL: Doctor, is that a typo?

17          DR. ALLISON: It's an unfilled position.

18          MR. HETTEL: Okay. To be assigned.

19          DR. ALLISON: To be filled.

20          MS. DAWSON: To be filled. Okay.

21          MR. REYNOLDS: Does it necessarily have to be  
22 filled?

23          DR. ALLISON: Yes.

24          MR. REYNOLDS: It does?

25          DR. ALLISON: Yes.

1           MR. REYNOLDS: Okay. Mr. Laws, do we need to  
2 give -- I'd like to give Mr. Hettel the authority  
3 to approve that last judge.

4           MR. LAWS: Sure. I think that's separate under  
5 the code, so I think there should be two separate  
6 motions; one approving the list as is composed, and  
7 a separate motion designating to the executive  
8 secretary for the Virginia Racing Commission the  
9 authority to approve this last patrol judge, once  
10 the name and the credentials are submitted to the  
11 secretary.

12          MR. TOWELL: Is that also true with respect to  
13 the safety steward and the clerk of scales?

14          MR. HETTEL: This is usually with the National  
15 Steeple Chase Association. Some of it is  
16 availability. I've got a good working relationship  
17 with the NSA, so this is to be added as the day  
18 approaches.

19          MR. LAWS: So in other words, the motion that  
20 the Racing Commission entertains to approve the  
21 officials as listed should be followed by a second  
22 motion designating to the executive secretary of  
23 the Racing Commission the authority to approve the  
24 safety steward, the clerk of scales and last patrol  
25 judge, once the names and qualifications are

1 submitted to the executive secretary.

2 MR. VAN CLIEF: If you're seeking such a  
3 motion, Mr. Chairman, then my first motion is to  
4 approve the International Gold Cup officials for  
5 2015 as submitted.

6 MR. REYNOLDS: Do I hear a second?

7 MS. DAWSON: Second.

8 MR. REYNOLDS: Is there any comment? Hearing  
9 none, all those in favor, say aye.

10 NOTE: The Commission votes aye.

11 MR. REYNOLDS: Those opposed? Hearing none,  
12 the motion carries.

13 MR. VAN CLIEF: And my second motion would be  
14 to grant authority to Executive Secretary Hettel  
15 for the purpose of appointing and approving  
16 appointment of safety steward, the clerk of scales,  
17 and the final patrol judge.

18 MR. REYNOLDS: Do I hear a second?

19 MS. DAWSON: Second.

20 MR. REYNOLDS: Are there any comments? All  
21 those in favor of the motion, say aye.

22 NOTE: The Commission votes aye.

23 MR. REYNOLDS: Those opposed? Hearing none,  
24 the motion passes unanimously. All right. Thank  
25 you very much.

1           Lastly, with regard to the Virginia Breeders'  
2 Fund, found behind Tab Eight is the approval of the  
3 2015 expenditures for Standardbred. I meant that  
4 to say the proposed 2015 expenditures portion of  
5 the Virginia Breeders' Fund.

6           The Virginia Breeders' Fund standardbred  
7 committee voted to recommend the following  
8 expenditure for the Standardbred positions of the  
9 Breeders' Fund in 2015. The proposal is to allow  
10 \$80,000 to partially fund eight Virginia-bred stake  
11 races to be contested at Oak Ridge race course on  
12 Sunday, October 18<sup>th</sup>.

13           Do the Commissioners have any questions or  
14 comments about this request? Mr. Lermond, do you  
15 want to say anything about this? It looks like it  
16 has already been approved by the subcommittee.

17           MR. LERMOND: Yes. An email was sent out to  
18 the members of the subcommittee. Everyone agreed  
19 to this expenditure. In years past, there's  
20 obviously been more money available because there  
21 has been more wagering, but the 80,000 is really  
22 all that there is for the Standardbred portion this  
23 year, and that's all gonna go towards these  
24 Virginia-bred stake races, which total 320,000, but  
25 the 80,000 will come from the Breeders' Fund.

1 MR. VAN CLIEF: will that be allocated equally  
2 among the eight?

3 MR. LERMOND: 10,000 per race.

4 MR. REYNOLDS: Any other comments or questions  
5 from the commissioners? I'd like to seek a motion  
6 to approve \$80,000 to partially fund eight  
7 Virginia-bred stake races to be contested at Oak  
8 Ridge race course on Sunday, October 18<sup>th</sup>. Do I  
9 hear --

10 MS. DAWSON: So moved.

11 MR. REYNOLDS: Do I hear a second?

12 MR. VAN CLIEF: Second.

13 MR. REYNOLDS: Any further comments? Hearing  
14 none, all those in favor, say aye.

15 NOTE: The Commission votes aye.

16 MR. REYNOLDS: Those opposed? Hearing none,  
17 the motion passes unanimously.

18 Okay. Now that takes us to our public comment  
19 period. Are there any members of the public that  
20 would like to speak out today? And please remember  
21 to keep your comments within five minutes, and  
22 please state your name for the record when you  
23 speak. Stan.

24 MR. GUIDROZ: Mr. Commissioner, board members,  
25 my name is Stan Guidroz, vice president of southern

1 operations for Jacobs Entertainment.

2 The question still remains: Is there a place  
3 for Colonial Downs in the portfolio of horse racing  
4 in Virginia? If so, does the VRC desire to join us  
5 in bringing Virginia horsemen and horse racing back  
6 to Colonial Downs with a back stretch open for  
7 eight weeks next year.

8 It may take several years before the current  
9 experiment of the VEA and VHBPA finding an  
10 alternative venue plays out. The carrying cost of  
11 maintaining Colonial Downs as a race track is \$2  
12 million a year in taxes, insurance and maintenance.

13 With the redirection of funding for Colonial  
14 Downs to the VEA, Colonial Downs cannot sit  
15 dormant, losing money for the next several years.  
16 Best efforts to reach an agreement to attract the  
17 VEA were unsuccessful.

18 We were very disappointed the negotiations  
19 didn't work out, but at this point, Mr. Jacobs has  
20 concluded those negotiations once the mutual  
21 deadline passed last Friday, September 4<sup>th</sup>.

22 The initiative now moves to the VRC. If the  
23 VRC wants the track in New Kent to remain open, it  
24 needs to take a proactive step to help Colonial  
25 Downs stabilize operations and cash flow while we

1 rebuild our business.

2 we will put up \$1 million a year, and we  
3 request the VRC to redirect funds for the live  
4 racing and purse expenses.

5 In my letter to Bernie over the weekend, I put  
6 forth a schedule, an outline, an example of what  
7 that would look like. Eight weeks of an open back  
8 stretch and barn area, two weekends of racing  
9 including the Turf Cup and Virginia Derby, one  
10 weekend in mid August, one weekend in mid  
11 September.

12 Again, this is just an example. We remain open  
13 and flexible to a schedule of back stretch and  
14 barns being open eight weeks for at least two  
15 weekends of racing.

16 The Old Dominion would be the majority  
17 horsemens group to get the satellite wagering  
18 facilities up and running and will serve as a place  
19 holder. Under the right conditions with the Old  
20 Dominion, we would be willing to discuss the  
21 signing of an agreement with the VRC.

22 We are asking the VRC to be proactive and  
23 redirect funds to Colonial Downs and Old Dominion  
24 and bring racing and an open back stretch to the  
25 Virginia horsemen next year.

1           May I suggest we work with a subcommittee with  
2 Bernie and two VRC members for the next couple of  
3 weeks? During that time, we'll finalize the Old  
4 Dominion contract and 2016 racing schedule with  
5 your support.

6           If we reach an agreement on a path forward,  
7 then we'll submit the Old Dominion contract,  
8 satellite wagering facility license application,  
9 and a racing schedule for full VRC consideration.

10          If there is no willingness to work with us on  
11 this effort, then we will have exhausted all  
12 efforts. We will move on to use other than racing.  
13 Thank you for your time this morning. I'll  
14 continue to follow up with Bernie on future  
15 discussions regarding this matter. Thank you.

16          MR. REYNOLDS: Thank you. Other members of the  
17 public? Yes, ma'am.

18          MS. HARRELL: Christie Harrell. I'm sorry I  
19 wasn't here earlier. I had an accident that  
20 prevented me from getting here. When you all were  
21 doing the reading of the minutes earlier, I noticed  
22 there were two typos and I just wanted to clarify  
23 that my name is spelled C-H-R-I-S-T-I-E --  
24 H-A-R-R-E-L-L. And also, my reference was to  
25 develop a venue to race at Morven Park in northern

1 virginia. The "at" is there, the "in" is there,  
2 but the middle part, which is kind of important,  
3 Morven Park. I just wanted to make sure that the  
4 notes reflected such.

5 MR. REYNOLDS: Okay. Thank you. We will make  
6 that correction. Other members from the public?

7 DR. WOOGEN: I'm a representative of the VHHA.  
8 I just want to note that the comments by Colonial  
9 Downs did not reference harness racing in any way,  
10 shape or form. We represent the majority of the  
11 racing days in Virginia, I believe, since  
12 inception. I think considering negotiating with  
13 Colonial Downs without including harness racing  
14 really is not reasonable, in my view.

15 MR. REYNOLDS: Thank you. Other comments?

16 MR. PETRAMALO: May I respond to Mr. Guidroz's  
17 statement?

18 MR. REYNOLDS: Yes, sir. What's your name?

19 MR. PETRAMALO: Frank Petramalo. I'm executive  
20 director of the Virginia HBPA. With all due  
21 respect to Stan, what he suggested, in my opinion,  
22 would be unlawful. On July 1<sup>st</sup>, after a hearing  
23 which Colonial Downs was given the opportunity to  
24 participate and chose not to, which the Old  
25 Dominion horsemen's group was given the opportunity

1 to participate and they didn't. At the end of that  
2 hearing, you designated the Virginia HBPA as the  
3 majority horsemen's group for next three years.

4 Now Mr. Guidroz is suggesting that the  
5 Commission sit down with Colonial Downs and  
6 negotiate some type of agreement that includes  
7 approval of a contract, the horsemen's contract,  
8 with the Old Dominion horsemen's group. I think  
9 that would violate the law as well as your  
10 regulations, and for that reason, I respectfully  
11 suggest that you not take up Mr. Guidroz's  
12 invitation to have the Racing Commission sit down  
13 with Colonial Downs to negotiate anything.

14 MR. REYNOLDS: Thank you. Mr. Ross.

15 MR. ROSS: David Ross, chairman of the VHBPA.  
16 As you know, this whole ordeal is no stranger to  
17 anyone really. In going back now to our days under  
18 the supervision of the Secretary of Commerce, we  
19 have had extensive discussions with Colonial.  
20 Bernie has been present; he's informed you of  
21 those. I think we are all aware of them. Stan at  
22 that time wasn't present, but has come to the  
23 forefront now and we've appreciated that.

24 One of the problems that has existed from day  
25 one is that Colonial has identified a delta. That

1 delta is about \$2 million a year. Speaking from a  
2 business perspective, and you know, that is an  
3 issue that has to be dealt with.

4 Another thing the Commission is fully aware of  
5 is what our budget is and our operating revenue is,  
6 and outside of a few mistakes here and there that  
7 we've identified, we see that we have no ability  
8 whatsoever to come up with \$2 million a year.

9 That said, the only venue, the only opportunity  
10 to proceed with Colonial is going to be, and I  
11 think we all need to recognize this and figure out  
12 when it is gonna be dealt with, is gonna be, A,  
13 either find a way to grant the money. So perhaps,  
14 you know, we've got to go through the Commonwealth  
15 and ask for a grant and perhaps an opportunity to  
16 run an operation there for ten years. I hope they  
17 would consider ten, but we'll see. Or grow the  
18 revenue in another way. We have the satellite  
19 wagering facilities, we have the ADW contracts that  
20 we have with the various vendors and the revenue  
21 that comes off of those.

22 So again, we all know what we have at hand  
23 here, and it has been unfortunate, because the only  
24 way that this would work in conjunction with the  
25 VHBPA would be through some sort of joint

1 agreements to try to grow revenue beyond the cost  
2 of living and what have you, so that we could find  
3 a way as we grew revenue to disproportionately pay  
4 back Colonial. But that requires them to sit in  
5 the driver's seat, to continue to invest in this  
6 facility and be patient to be able to potentially  
7 collect down the road.

8 I don't think that's gonna happen. I think  
9 we've got to all come up with can we get them the  
10 funds or not, and if we can't, then we'll have to  
11 find another way. Believe me when I say that we  
12 would all love to be racing in Colonial. There's  
13 not anyone in this room that wouldn't want that,  
14 but we can only afford to do so much. Thank you.

15 MR. REYNOLDS: Thank you. Other comments?

16 MR. BERMAN: I've been around for 20 years, and  
17 I just don't feel like Colonial possesses the  
18 integrity or the character or the worthiness to  
19 even be considered to ever get another license to  
20 do anything in Virginia.

21 They've proven time and time again that they  
22 don't keep their word. They sued the Racing  
23 Commission when the Commission has ordered them to  
24 conform to the statutory obligations that our  
25 General Assembly has imposed on them.

1           They took the company public in 1997 and  
2           essentially robbed the shareholders of the \$35  
3           million or the \$40 million that they had invested,  
4           and as far as I'm concerned, everybody in this room  
5           should slam the door on Colonial and not give them  
6           the time of day until they finally realize that  
7           they don't have a prayer of ever doing business in  
8           Virginia again.

9           And you know, we talk about expanding gambling.  
10          That will never happen with Colonial Downs in the  
11          driver's seat, because they've done way too much to  
12          destroy the public trust, and people like me are  
13          going to campaign until the ends of the earth to  
14          make sure they never get an opportunity to expand  
15          gambling in Colonial Downs.

16          I want to see expanded gambling. I wanna see  
17          slots, but not with these guys. They can't be  
18          trusted, and the decision you make today or  
19          whenever they come up for an application, that's  
20          probably gonna be the biggest decision that this  
21          Racing Commission has ever made, because it's not  
22          just gonna be about racing, and it's not just gonna  
23          be about, you know, racing and the fans and stuff  
24          like that. It's gonna be about the kind of  
25          Commonwealth we live in, and whether or not we're

1           gonna let people like Colonial be involved in  
2           gambling and set a precedent for the future.

3           So in my opinion, they should just pack up  
4           their stuff and go home today. I know they don't  
5           want to, but they're just gonna keep trying to  
6           manipulate us and try to pull it in as long as they  
7           can get away with it, and until we all unanimously  
8           agree that they're not wanted here anymore and it  
9           is time for them to go back to Ohio, I think  
10          Virginia racing is gonna be stifled and we're never  
11          gonna to be able to move ahead, and we're never  
12          gonna be able to join forces and get together as  
13          Virginians and make this thing work. I'm tired of  
14          all the shenanigans and all the sculduggery that  
15          Colonial has done over the years.

16          I remember 20 years ago and 18 and 15 years  
17          ago. I know that, you know, time goes by and  
18          people think that things are forgotten, but I  
19          haven't forgotten any of it. You can't change the  
20          spots on a leopard, and no matter how they come in  
21          here and they act like, you know, they're willing  
22          to negotiate and they want to do the right thing  
23          and they're willing to, you know, be good guys, I  
24          don't believe them and I don't think anybody else  
25          in this room should believe them.

1           Sure, I'd like to see Colonial Downs open  
2 again, but I'd like to see it open under new  
3 leadership. I never want to see it open again  
4 under Colonial Downs leadership. So that's all I  
5 have to say.

6           MR. REYNOLDS: Thank you. Other comments from  
7 the public? All right. Well, thank you.

8           MR. HETTEL: I'd like to call on Tom Eshelman  
9 of the Shenandoah County fair.

10          MR. REYNOLDS: Yes.

11          MR. HETTEL: They just completed their county  
12 fair and their race meet, and I'd just like to get  
13 an update, if possible. Tom, take it away.

14          MR. ESHELMAN: Thank you, Bernie. We just  
15 recently had four days of racing at the Shenandoah  
16 County fair in Woodstock, Virginia. That makes  
17 five days of harness racing this year; more than  
18 anyone else has conducted so far, and we have done  
19 that on our own with the help of purse money, from  
20 donations, and also with the assistance of the  
21 VHHA.

22                 We had the Wine and Trotter festival in June.  
23 We had almost 1,000 patrons there enjoying a day of  
24 racing, and in the past four days last week, we had  
25 over 2000 persons in four days of racing, over 30

1 races in all for four days.

2 woodstock is alive and well and racing is  
3 happening there, and we would love to have people  
4 be interested in expanding that and possibly bring  
5 pari-mutuel betting to Shenandoah County. You're  
6 missing out on a great opportunity there at our  
7 facility.

8 The investments that are being done to the  
9 other facilities, those investments could be done  
10 for one or two years at our facility and they'd be  
11 permanent. We've got a one-mile track there, we've  
12 got a covered grand stand, we have crews that could  
13 happen almost simultaneously within the next year,  
14 and we'd be expanding racing in Shenandoah County.  
15 You missed out on a great opportunity if you missed  
16 the last four days. It was very exciting. Thank  
17 you.

18 MR. REYNOLDS: Thank you very much.  
19 Congratulations on a great meet. Are there any  
20 other comments for the public? Hearing none, I'll  
21 turn it over to the commissioners for their  
22 comments. After that, we'll select a date for our  
23 next Racing Commission meeting.

24 Dr. Steger, do you have any comments?

25 DR. STEGER: No, Mr. Chairman. I don't.

1 MR. REYNOLDS: Commissioner Dawson?

2 MS. DAWSON: I don't have any. Thank you.

3 MR. REYNOLDS: Vice Chairman Van Clief.

4 MR. VAN CLIEF: Just one brief -- Just doing  
5 back-of-the-envelope projections and looking at the  
6 information I received this morning. It appears to  
7 me that there will be -- given the assumption that  
8 our projections are accurate on handle next year --  
9 there should be sufficient dollars in the system to  
10 at least break even, and that would include racing  
11 at Colonial Downs.

12 I'd ask the parties if they might readdress  
13 this issue. I do not think we reached the point  
14 where Colonial Downs needs to throw it at the door  
15 step of the Virginia Racing Commission. I think  
16 there's probably room for additional negotiation  
17 with the horsemen, if they are so inclined.

18 I think that you can break even and keep the  
19 lights on without special action by this  
20 commission, and I would advocate that you try.

21 MR. REYNOLDS: Okay. Thank you, Vice Chairman.  
22 Commissioner Miller.

23 MR. MILLER: Mr. Chairman and members of the  
24 Commission, several weeks ago, I had Mr. Lermond of  
25 the Racing Commission staff prepare an analysis of

1 where we stand in pari-mutuel wagering and racing  
2 in Virginia, and what we might be able to look  
3 forward to under the new statutory regime that was  
4 passed by the General Assembly in the 2015 session  
5 of the General Assembly.

6 I'm going to ask Mr. Lermond to provide to each  
7 commissioner in the coming days or weeks or  
8 whenever of the material that he put together at my  
9 request, and he can provide it to Mr. Petramalo and  
10 Mr. Ross, Dr. Allison. Well, anyone that wants it.

11 But anyway, the bottom line is that pulling  
12 together projected figures based on past activity  
13 in Virginia, Mr. Lermond came up with three  
14 scenarios for projected distribution of pari-mutuel  
15 wagering in Virginia for 2016, just as an example.

16 He came up with a scenario if we go forward  
17 without Colonial Downs and with advanced deposit  
18 wagering revenue from the three current advance  
19 deposit wagering companies; that would be TVG,  
20 TwinSpires and XpressBet.

21 He did another analysis that includes Colonial  
22 Downs as a licensee for EZHorseplay and two  
23 account -- two satellite wagering facilities.

24 MR. LERMOND: It would just be account  
25 wagering.

1           MR. MILLER: Account wagering, not the  
2           satellite wagering. Okay. Thank you. He came up  
3           with a third scenario that includes Colonial Downs  
4           as a licensee with EZHorseplay, a licensee  
5           operating their EZHorseplay ADW, plus Colonial  
6           Downs operating two satellite wagering facilities,  
7           and of course Colonial Downs being a licensee -- to  
8           be a limited licensee to operate racing in Virginia  
9           as a significant infrastructure licensee.

10           I'm not going to go in to all of the figures;  
11           it takes too much time. He will provide that to  
12           you all for you all to look over between now and  
13           the next time this Commission may meet.

14           But of the scenarios he put forward, the  
15           scenario that in my opinion just as an individual  
16           virginia citizen, just you know, regardless of  
17           whether I was on this commission or not, if you  
18           look at the scenario with Colonial Downs as a  
19           limited licensee operating the racetrack where it  
20           is because it can't be moved, being a significant  
21           infrastructure licensee, also having been granted a  
22           license to operate EZHorseplay again, and being  
23           given a license to operate two satellite wagering  
24           facilities again, contrary to a lot of public  
25           opinion that thinks they should not get a license

1 to do anything, I recognize that, you know, that  
2 feeling is out there, but I'm just suggesting to  
3 you that there is a scenario going forward that if  
4 they were granted such licenses, and the only way  
5 they can do it is there has to be more give than  
6 they've indicated they would give in the past.  
7 There would have to be give by the horsemen, more  
8 so than in the past. Everyone would have to give a  
9 little bit, sit around the circular peace table and  
10 reach a treaty, a satisfactory peace treaty, just  
11 like they did in Geneva.

12 Because when you look at the -- I'll go through  
13 these figures. You don't need to write them down.  
14 The total amount that would be projected to be  
15 wagered in Virginia under that third analysis that  
16 I think would be the best for the future of  
17 Virginia racing to sustain, promote, et cetera, et  
18 cetera, et cetera, the horse industry in Virginia,  
19 the total projected amount of wagering would be  
20 approximately \$115 million.

21 Now, from that total amount wagered, the  
22 recipients under the code as it now exists,  
23 Virginia Racing Commission would get one million  
24 and three-quarters dollars, approximately. New  
25 Kent County would get approximately \$378,000.

1           The localities where the off-track betting  
2 parlors are located would get approximately  
3 \$171,000. Virginia Tech would get approximately  
4 \$147 million. The Virginia Horse Center would get  
5 approximately 49 -- Did I say Virginia Tech would  
6 get \$147 million? I meant \$147,000.

7           MR. REYNOLDS: They were excited.

8           MR. MILLER: Dr. Steger, did you pass out? I'm  
9 sorry.

10          MR. REYNOLDS: Dr. Steger put the spread sheet  
11 together.

12          MR. MILLER: The Virginia Horse Center would  
13 get approximately \$149,000. Virginia Horse  
14 Industry Board, the same. Virginia Thoroughbred  
15 Association, the same. The Breeders' Fund would  
16 get \$1,157,000. Purses for the horsemen would be  
17 approximately \$5 million; \$4,911,000. The Virginia  
18 Equine Alliance would get approximately \$2 million.  
19 The limited licensee, Colonial Downs, would come  
20 out with \$7,850,000. The ADW providers, \$5  
21 million, a little over \$5 million, and the amount  
22 returned to betters in Virginia would be a little  
23 more than \$92 million.

24          So get it all together, almost everyone wins  
25 under those figures. Everyone gets some revenue.

1 Racing goes forward in Virginia. Not everyone gets  
2 everything they want, but the program lives to go  
3 forward to maybe a day in the future when revenue  
4 can be enhanced and everyone's revenue would go up,  
5 eventually.

6 Anyway, I hope that when Mr. Lermond forwards  
7 that information to you -- all you have to do to  
8 get it is here's Mr. Lermond sitting right here.  
9 All you have to do is go up to him following this  
10 meeting and say, Mr. Lermond, please provide me  
11 with that information.

12 I hope that all of you will make that request  
13 and that all of you will take it, look it over, do  
14 an analysis. All I did was just look at figures.  
15 I can't talk about the morality behind the figures.  
16 I can't -- but the figures are there, and you can,  
17 maybe you can tear them all down.

18 Maybe all these figures can be analyzed to the  
19 extent that they may be meaningless. You may come  
20 back and say, Mr. Miller, those figures were  
21 meaningless. You were duped. You know that's  
22 possible, but they are there to be examined. This  
23 is a possibility.

24 Just take a look at it, and then when we have a  
25 meeting in the future, maybe we can discuss it and

1 discuss what would be the best route for Virginia  
2 to go.

3 Does Virginia want to go forward with a  
4 meaningful Thoroughbred and Standardbred racing  
5 program that's meaningful to the citizens of  
6 Virginia and the country as a whole and that  
7 economically benefits a wide spectrum of the  
8 stakeholders and state of Virginia, or do we want  
9 to muddle along the best we can, fighting each  
10 other, threatening litigation, trying to outdo one  
11 another in the legislature with our favorite  
12 legislators, out-lobby one another?

13 Is that the future that we want in Virginia, or  
14 do we want to try to concentrate on doing what is  
15 best for most of the stakeholders and most of the  
16 citizens of Virginia and at least make that effort?

17 So anyway, that's my comment. I hope you'll  
18 take advantage of that, and maybe when we have a  
19 meeting in the future we can discuss this, and it  
20 may be something that we can hang our hat on, or it  
21 may not be.

22 Because from my perspective, we can't continue  
23 the way we are. The status quo doesn't work. The  
24 Equine Alliance is making a valiant effort to save  
25 racing in Virginia. That's what they're doing.

1           They went to the legislature after the license  
2 holder turned in their license in the fall of 2014  
3 to get legislation adopted to at least try to  
4 continue a racing program in Virginia to try to  
5 address the pari-mutuel funds that were  
6 accumulating in Virginia from the betters.

7           I find it interesting that Mr. Jacobs comes  
8 back now and uses as one of the criticisms of the  
9 program in Virginia that we're concentrating too  
10 much, or that we decided to go into northern  
11 Virginia. You know, we're willing to spend money  
12 in -- we made an effort to go to northern Virginia  
13 and disregarded Colonial Downs. That's not the  
14 case at all.

15           Virginians were put in the position of trying  
16 to come up with the solution to the problem of not  
17 having a racing venue. That's why the people went  
18 to the legislature and that's why the Virginia  
19 Equine Association was formed. At least that's  
20 from my perspective. It wasn't done -- it wasn't  
21 done to spite Colonial Downs or to throw up some  
22 kind of road block to future racing at Colonial  
23 Downs.

24           I told the representatives of Colonial Downs  
25 that's a great racetrack, and to me, it doesn't

1 seem logical or sensible for us to try to continue  
2 a serious racing program in Virginia without that  
3 track. We really ought to be utilizing that track.  
4 We need to bend over backward, all of us, including  
5 Colonial Downs, to try to make sure that that track  
6 is utilized in the future.

7 I realize that you have to look at the  
8 economics of the situation. We're not looking for  
9 charity from the Jacobs family. Under this  
10 scenario, Colonial Downs does okay. Does okay.  
11 But in the future, Colonial Downs may do great if  
12 they're willing to work with the other  
13 stakeholders.

14 The horsemen will do okay, and if you're  
15 willing to work with the other stakeholders,  
16 including Colonial Downs, we ride this thing out,  
17 the future could be bright for racing in Virginia.  
18 So thank you, Mr. Chairman.

19 MR. REYNOLDS: Thank you, Commissioner Miller.  
20 In addition to your comments, I think I absolutely  
21 agree. I would love to have everybody go analyze  
22 these numbers, all of us hopefully get together  
23 sooner rather than later to keep talking.

24 I hear from time to time we're really close,  
25 we're very optimistic, and then all of a sudden

1 we're back and it just seems like there's a lot of  
2 back and forth. So hopefully, the groups can get  
3 together and hopefully push this over the goal line  
4 this time.

5 In regard to your comments, Commissioner  
6 Miller, talking about or analyzing these numbers at  
7 the next Racing Commission meeting, we can  
8 certainly do that, but I might suggest that if we  
9 can make some progress, maybe we could call for  
10 another work session where we can sit down and go  
11 back and forth with the numbers and anything else  
12 we might want to talk about.

13 So let me suggest -- and we'll throw out some  
14 dates for a possible work session that we could do  
15 in addition to our Racing Commission. Perhaps we  
16 can have a regular Commission meeting next month,  
17 and then after that, go on into a work session.

18 Mr. Vice Chairman.

19 MR. VAN CLIEF: Mr. Chairman, in that regard  
20 and to your suggestion, could I ask a couple  
21 questions of the shareholders -- the stakeholders  
22 here?

23 MR. REYNOLDS: Yes.

24 MR. VAN CLIEF: My first question then would be  
25 to Colonial Downs, Stan, and likewise to Mr. Ross.

1 would you gentlemen representing the organizations  
2 be willing to sit down?

3 Stan, let me ask you first because you're -- as  
4 I see it this morning, it's Colonial Downs who has  
5 thrown down the gauntlet and said that is as far as  
6 we can go, unless, if I read this right, unless we  
7 were to receive immediate relief from Virginia  
8 Racing Commission, which is obviously not going to  
9 be forthcoming in the format you requested.

10 Nonetheless, you know, I think we all feel, and  
11 the figures that Mr. Lermond has prepared for  
12 Commissioner Miller bare it out that there is more  
13 latitude in this situation than we might have  
14 thought here before.

15 Given that revelation, would you be willing and  
16 is Colonial willing to spend a little more time  
17 talking about a potential deal so that we've got  
18 everybody working together and we can cut this pie  
19 up equitably, keep the lights on and move the  
20 industry forward?

21 MR. GUIDROZ: D.G., we'd be happy to look at  
22 the numbers. I think we get to the point where the  
23 analyzing of the numbers is the same. They're not  
24 changing. I think everybody on this side of the  
25 table has looked at these numbers inside and out

1 and understands where they stand on it.

2 The question is whether we can do what we need  
3 to do to get there. When we look at the numbers  
4 and entertain conversations, are they consistent  
5 with what we've looked at in the past? Absolutely.  
6 But I think everybody in the room has gotten to the  
7 point where the numbers are what they are, and we  
8 can either make it happen or we cannot.

9 Not to sound like we're throwing down the  
10 gauntlet. It's to say are we gonna resolve this  
11 ever or not. But I appreciate the homework and  
12 study that has gone into it. I look forward to  
13 looking at the numbers and look forward to working  
14 with you or anyone else and seeing what  
15 opportunities there might be.

16 MR. VAN CLIEF: Thank you. I started to  
17 address that question to Mr. Ross. Maybe it would  
18 be more appropriately addressed to Ms. Easter of  
19 the VEA or Mr. Hannum. Are you prepared to  
20 continue the conversation as well?

21 MR. HANNUM: well, I just make a comment about  
22 the numbers. I haven't seen what Dave did, but you  
23 know, Stan and I and David and Debbie and Frank,  
24 we, you know, have been through this and around and  
25 around and around.

1           Just to a quick point, which I think is very  
2 important to state to the Commission, is that right  
3 now, the Virginia Equine Alliance is only receiving  
4 revenue from two out of three of the ADW companies,  
5 so these projections are nice, but it does not mean  
6 anything unless people are following the law and  
7 making the statutory contributions.

8           So I think we're sort of getting a little bit  
9 ahead of ourselves. I think we have an immediate  
10 task before us, and I hope the Commission would  
11 take a strong position that TwinSpires has failed  
12 two months in a row to make their payments to  
13 Virginia Equine Alliance, and interestingly, they  
14 have continued to pay the Commission, which is a  
15 curious way to handle the situation.

16           So I think that, you know, of course we want to  
17 talk and we want to see Colonial racing and we want  
18 to move the industry forward, but we have a very  
19 immediate and pressing issue before the Equine  
20 Alliance which puts many of our, you know, plans in  
21 jeopardy, unless we're able to resolve what I  
22 consider is TwinSpires breaking the law. So I just  
23 want to state that for the record.

24           MR. VAN CLIEF: I want to make an assumption  
25 that the Commission will be taking the appropriate

1 and necessary action with regard to TwinSpires, and  
2 can you now answer the question I asked, which is  
3 given that assumption, are you willing to proceed  
4 with further negotiations with Colonial Downs?

5 MR. HANNUM: I mean it's not -- of course we  
6 are. I think that goes without saying. I think  
7 that, you know, we've -- every time Colonial tells  
8 us to jump, you know, we ask how high, and we go  
9 through this exercise.

10 We went through an exercise in the last two  
11 weeks which the Commission was fully in the loop  
12 about, and you know, there was, you know, I think  
13 very little room for movement from Colonial, which  
14 you all saw over the email exchanges over the past  
15 couple of days.

16 So you know, the Virginia Equine Alliance has  
17 stated from day one every time I've spoken before  
18 the Commission that we want to see racing at  
19 Colonial and we want that track to be in place for  
20 Thoroughbreds and Standardbreds.

21 MR. VAN CLIEF: Thank you.

22 MR. ESHELMAN: Can I make a comment as a minor  
23 shareholder at all?

24 MR. REYNOLDS: This is gonna be the last  
25 comment.

1           MR. ESHELMAN: This is something that perplexes  
2 me, in that we built Virginia racing first as a  
3 stand-alone racetrack, then added a model of  
4 off-track betting parlors to supplement the income  
5 of the licensee, then added more off-track betting  
6 parlors to supplement the income of the licensee.  
7 Then after that, granted him an internet betting  
8 company and kiosks throughout the state, which has  
9 only come about in the last few years.

10           This track has operated for 18 years. Now you  
11 as a board and as a state institution have given  
12 them the opportunity to generate more revenue than  
13 they've ever been able to generate before, and yet  
14 they come before you and say they can't make it  
15 when they've made it without this additional  
16 revenue stream.

17           It's perplexing to me to look at these numbers  
18 and not understand how they can't make it work.  
19 And they say liars -- the figures lie. You can do  
20 whatever you want with the figures, but I'm  
21 perplexed by Colonial Downs' position.

22           MR. REYNOLDS: Okay. Thank you. The next  
23 order of business is to try to pick a date for our  
24 next Racing Commission meeting. What I would like  
25 to do, we'll talk -- we'll let you know, but I'm

1 thinking we have a meeting next month.

2 Commissioners, do you all have calendars  
3 available? And stakeholders. I know that we have  
4 a commissioner that's gonna be out of the state  
5 from October 5<sup>th</sup> through the 9<sup>th</sup>. I'm looking at  
6 perhaps October 13<sup>th</sup> or 14<sup>th</sup> for our next meeting.  
7 Let's just call -- let's look at October 14<sup>th</sup>. Did  
8 anybody have an issue with October 14<sup>th</sup>? If there  
9 is some sort of urgency to meet sooner, we can do  
10 that. Mr. Hannum.

11 MR. HANNUM: That's right in the middle of the  
12 Oak Ridge meet, so our attendance may be -- may not  
13 be able to participate.

14 MR. REYNOLDS: Is that all week long?

15 MR. HANNUM: well, there are two back-to-back  
16 weekends, so it's the 10<sup>th</sup> and 11<sup>th</sup> and 17<sup>th</sup> and  
17 18<sup>th</sup>. So I just point that out.

18 MR. REYNOLDS: You all can't come down in the  
19 middle of the week?

20 MR. HANNUM: We can. I just wanted to point  
21 that out.

22 MR. REYNOLDS: Okay. Thank you.

23 MS. EASTER: Not trying to be problematic. You  
24 have a bunch of newbies trying to run something  
25 down there. We don't know what we're gonna run in

1 to.

2 MR. REYNOLDS: Okay. Let's leave it  
3 October 14<sup>th</sup>. Is that good?

4 MS. DAWSON: Yes.

5 MR. VAN CLIEF: Yeah.

6 MR. REYNOLDS: All right. Is that okay, Frank?

7 MR. PETRAMALO: As long as I can participate by  
8 phone.

9 MR. REYNOLDS: Are you out of the country?

10 MR. PETRAMALO: Yes. Germany.

11 MR. REYNOLDS: When do you get back?

12 MR. PETRAMALO: Back on the 22<sup>nd</sup>.

13 MR. REYNOLDS: Okay. Can Stephanie step in for  
14 you that meeting?

15 MR. PETRAMALO: No. That's fine. Stephanie  
16 and David. I'd like to participate by phone, if  
17 appropriate.

18 MR. REYNOLDS: Okay. Is that all right with  
19 you, Commissioner Miller?

20 MR. MILLER: The 14<sup>th</sup> is fine.

21 MR. REYNOLDS: Okay. I don't want to wait too  
22 long, but let's try do it on the 14<sup>th</sup>, if that's  
23 okay. All right. So our next Commission meeting  
24 will be ten o'clock on October 14<sup>th</sup>. That's a  
25 Wednesday, and we will notify you as to the venue.

1           okay.

2           Is there any reason for us to go into closed  
3 session today? I don't see a reason to go into  
4 closed session.

5           okay. I'd like to entertain a motion for  
6 adjournment. All those in favor, say aye.

7                         NOTE: The Commission votes aye.

8           MR. REYNOLDS: I guess I need a second.

9           MS. DAWSON: Second.

10          MR. REYNOLDS: All those in favor, say aye.

11                         NOTE: The Commission votes aye.

12          MR. REYNOLDS: Those opposed? Nobody's  
13 opposed. Great. The motion carries.

14          This meeting is adjourned. Thank you all very  
15 much for your participation.

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17                         NOTE: The meeting is adjourned at 11:05  
18 a.m.

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CERTIFICATE OF COURT REPORTER

I, Sandra G. Spinner, hereby certify that having first been duly sworn, I was the Court Reporter at the meeting of the Virginia Racing Commission at the time of the hearing herein.

Further, that to the best of my ability, the foregoing transcript is a true and accurate record of the proceedings herein.

Given under my hand this 18<sup>th</sup> day of September, 2015.

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SANDRA G. SPINNER  
COURT REPORTER