VIRGINIA RACING COMMISSION

October 14, 2015

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1111 EAST BROAD STREET
RICHMOND, VA 23219

Commencing at 9:59 a.m.

COMMISSION MEMBERS:
J. Sargeant Reynolds, Jr., Chairman
D.G. Van Clief, Jr., Vice Chairman
Carol G. Dawson
I. Clinton Miller

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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MR. REYNOLDS: Good morning, everybody. I will now call the Virginia Racing Commission meeting for October 14th in session. I will note that all commissioners are present, except for Dr. Steger, who was sorry he could not attend today.

First item of business is the approval of the September 9th meeting minutes. Has everybody had a chance to read the minutes?

MR. VAN CLIEF: I'll move approval.

MR. REYNOLDS: Does anybody have any additions or corrections? Hearing none, do I have a motion for approval? Commissioner Van Clief. Do I hear a second?

MS. DAWSON: Second.

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

NOTE: The commissioners vote aye.

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

MS. DAWSON: Mr. Chairman?

MR. REYNOLDS: Yes, ma'am.

MS. DAWSON: May I make just one suggestion? We had, I think it was in these minutes, someone who had to correct the spelling of her name from previous minutes, and I think it would be a good idea if we had a sign-in sheet for the public so
that it's easier to track down people that have, you know, speak up, and it would be easy to do.

MR. REYNOLDS: Okay. I think that's a good idea. We'll figure out maybe -- some of the public, if they speak, they should certainly sign a sheet. If they don't speak, maybe some people don't want people to know they're here. If you speak publicly, we'll make sure that we get a correct name and spelling for a sign-up sheet. Thank you for that suggestion, Commissioner.

Okay. The minutes are approved. We move on to new business, and the first order of business is the status of the TwinSpires ADW payments. Mr. Hettel, would you like to bring us up to date on where we are on your letter to them on September 11?

MR. HETTEL: Yes, sir. It's in the booklet, by the way. On August 14th, I was informed by TwinSpires that they intend not to pay the Virginia Equine Alliance, deciding they didn't find it to be a legitimate organization.

I responded on September 11th in a letter that counsel toned down for me. I may have been too aggressive in my letter, so he toned it down, telling them they had to either pay or face the
consequence. As of this morning, and Jim can
verify this, the VEA has not been paid. Jeb, 265,
did you say?

MR. HANNUM: Yeah. Commissioners, we haven't
received any money from TwinSpires. So July was a
little over 82,000, August was a little over
105,000, September was almost 78,000. So the total
is $264,597. So 264,597.

MR. HETTEL: Okay. Also, they have paid
everybody else. They're in good order with the
Virginia Racing Commission and everybody else in
terms of disbursements. I would suggest the
Commission consider citing them to appear for a
hearing and we take action on their license.

MR. REYNOLDS: Okay.

MR. HETTEL: Possibly sooner than later. Josh,
it's 15 days notice they have to have?

MR. LAWS: Correct.

MR. HETTEL: I've got a calendar, if you care
to see what are some available dates.

MR. REYNOLDS: Mr. Laws, do we need to take a
vote on having the hearing or can I just assign a
date to have the hearing or does that take
Commission action by both?

MR. LAWS: The Commission doesn't need to have
a vote. Historically, usually, the executive secretary works with the party that the notice is issued to, to pick a mutual date that works for the Commission and for the party that has to appear.

So Bernie can still do that. At this time, he can contact TwinSpires and find out what their availability is after 15 days.

MR. REYNOLDS: Okay. Let's set a date now?

MR. HETTEL: Let's do that, and I'll send them email notice, and then official written notice I'll send tomorrow.

MR. REYNOLDS: Do the commissioners have their calendars with them? We can do this in conjunction with our next Racing Commission meeting. We may have another hearing, and I would propose sometime, if it's okay with the rest of the commissioners, sometime the week of November 16th.

I will be out for shoulder surgery on Tuesday, the 3rd. I should be able to find my way in here the week of the 16th, if somebody will give me a ride.

MR. VAN CLIEF: I'll pick you up on the way.

MR. HETTEL: Is it okay to do it on the 16th?

MR. REYNOLDS: That's a Monday.

MS. DAWSON: I'm going to be out of town.
MR. REYNOLDS: All week?

MS. DAWSON: Yes. The month of November.

MR. REYNOLDS: For the whole month of November?

MS. DAWSON: (Nodding head).

MR. REYNOLDS: Okay. All right.

MR. HETTEL: We could have a hearing for them with proper notice on the 29th in the morning, if that would suit everybody's schedule of this month. How does that look, Carol? Can you do it?

MS. DAWSON: The 29th, far as I know.

MR. LAWS: I can't do it.

MR. REYNOLDS: Let's go ahead and schedule it in November, as long as we have a quorum, correct?

MR. LAWS: That's correct.

MR. HETTEL: All right.

MR. REYNOLDS: It's my hope and desire all this will be cleared up before we have to have a hearing; but if we do, we need to go ahead and have it.

MR. HETTEL: The notice of hearing may prompt some action on their part.

MR. REYNOLDS: I would like to shoot for November 17th or 18th. I don't like doing it on Monday. How does that look for you, Commissioner Van Clief?
MR. VAN CLIEF: That works for me.

MR. REYNOLDS: Does the 17th work for you, Commissioner Miller?

MR. MILLER: That'll be fine.

MR. REYNOLDS: Okay. We'll check with Dr. Steger and shoot for the 17th, but depending on his schedule, I certainly would like to have four commissioners there, if possible.

MR. HETTEL: Sure.

MR. REYNOLDS: We're going to go with November 17th, which is subject to change, depending upon Dr. Steger's schedule. Okay. Mr. Hettel, anything else on TwinSpires?

MR. HETTEL: Yeah. It's a pending matter. I know there has been some discussion with Frank Petramalo regarding the possibility of trying to do some business with them.

It has been my information and notice that the meeting started well enough and then ended rather abruptly; both sides kind of offended the other. They are non-negotiable, so we just have to kind of force that action.

MR. REYNOLDS: Okay. Thank you. Any other comments from the commissioners regarding this topic? Hearing none, let's move on to an update on
negotiations between the VEA and Colonial Downs.

MR. HETTEL: There's been numerous conversations, emails and discussions, all of which have proven to be so far fruitless. There has been some consideration, and I'd ask at this point both the parties to maybe verify what I have just said and or disagree with me.

We can start, if you care to, any of the three of you from Colonial.

MR. GUIDROZ: I would just say from the last meeting, Commissioner D.G. Van Clief asked us to keep an open mind and those negotiating with the VEA and HBPA in trying to reach some type of structure that would keep Colonial Downs part of the Virginia racing portfolio. We have not been able to do that. I feel strongly we've done everything we can to bridge a compromise to a win-win solution.

Not wishing to negotiate publicly, I'm willing to discuss details in private, if you like. At this point, we just have two different visions. That's the only way I can describe it. Colonial Downs at this point, as previously stated, is going to move on to other options.

MR. HETTEL: Mr. Ross? Debbie? Somebody?
Jeb?

MR. ROSS: Let's have Jeb talk for the VEA, and then I can certainly add something.

MR. HETTEL: Okay.

MR. HANNUM: Thank you, Commissioners. I mean I think it's worth noting that this meeting marks the anniversary of Colonial Downs' decision to hand in their license. We have worked very hard with them over the last year to try to work out some sort of scenario whereby we could lease the facility.

I think it's worth noting that when the legislative agreement was agreed to by all parties and Senator Norman's office in the last legislative session, that it was with the understanding that Colonial would resume racing and open the OTBs, and that the Virginia Equine Alliance would work with them, and that we would be able to then also establish new sites for Thoroughbred and harness racing and steeplechase racing throughout the state.

On February 24th, we received a call from Colonial informing us they no longer intended to use the facility for racing. They wanted to lease the facility along with the OTBs and EZHorseplay.
So there was a pretty significant shift, and I know we've talked about it, but I just think it's worth reminding everybody of that. So the VEA was never really intending to, you know, lease the facility, perhaps in the way that Colonial Downs now wants us to, and so there were numerous attempts since February to have some sort of lease that would work for all parties, and then we worked very, very hard to try to do that.

I won't go through all of those; I'll just comment on what happened in the last month, which brings us to where we are right now.

We've sent a letter to -- VEA sent a letter to Colonial Downs, to Stan, on September 25th with a lease proposal which we really weren't too far apart on some of the points, but it's important to note in that lease proposal, that the best case scenario was that we would be operating at a $1.5 million deficit in our first year.

So I think that that speaks to the extraordinary effort that we were working towards to have a partnership, and in the best case scenario, we were going to be $1.5 million in the hole.

That proposal which we laid out when we
followed up with Colonial, they said, well, we've changed our minds. We don't want to do a lease anymore. It sounded like they'd had some discussions with other partners about different possibilities with the racetrack, so they said we'd like you to now rent the facility.

So we sharpened our pencils and we put forward a rent proposal, and that letter went out on October 1st. I point that out, because we copy on everything and there's a lot of moving parts, and I just wanted to talk about those two events carefully.

So on October 1st, we laid out a plan whereby we would rent Colonial, and we would then be able to open the OTBs as well, and we laid that out.

Twenty-four hours later, Colonial came back to us and said that our proposal was unacceptable. We reached out to them by phone and said will you counter. They said no, we're not interested in countering.

So it's sort of been a frustrating process, and I think everyone worked very hard, but it's my take on the matter that it would be very difficult for there to be any sort of resolution at this point based on eight months of work, and it has been a
lot of work.

I think really the most important thing for racing in Virginia is that we get those OTBs open, and the Virginia Equine Alliance wants to do that.

We've had numerous meetings with companies and experts in the field, and we're poised to start on that path, as soon as we have the ability to do that, and that will generate important moneys for the breeders and for purses going forward.

So I think that's really the critical issue before the Commission right now, is to put forward a path whereby the Equine Alliance can open the OTBs. Thank you.

MR. REYNOLDS: Thank you.

MR. ROSS: Commissioners, thank you, and I would just echo more or less what Jeb has said.

The key really is to get these OTBs open. I think there are two other matters that have to be dealt with in very short order. The first is that Colonial has to recognize that having a self-contained horsemen's group is not the way to go about having a fair and full negotiation to try to get to an end result, which is to get these OTBs open and get racing back in Virginia, trying to build a program in a platform that will be
successful into the future.

The second is that we can't do this with a token one-day or two-day meet. We have to have something legitimate. I think we talked about four weekends, three days a weekend. That's a good stop-gap measure, and there's a way to do this to a point where it makes sense.

So we're here to do everything we can to try to and get racing going again in Virginia. Thank you.

MR. QUINAN: Mr. Chairman, members of the Commission, my name's Mike Quinan. I'm an attorney with Christian & Barton. I represent the Virginia HBPA. There's one aspect of this that Mr. Hannum referred to and Mr. Ross referred to that I'd like to address a little more specifically, and that is the application that Colonial Downs filed for one day of racing in November of this year.

It's obvious at this point that that's not going to happen. The only function at this point of that application appears to be to delay the Virginia Equine Alliance from applying for licenses to operate the OTB facilities that they really need to and are prepared to move forward to apply for and operate.

The principal and overarching purpose of this
Racing Commission under the Racing Act is to promote, sustain and grow the native industry for horse racing for pari-mutuel betting in Virginia.

The specific purpose of last year's legislation was to permit the Virginia Equine Alliance to operate satellite facilities, unless the racetrack owner would be doing so. The amendment to the Racing Act that went into effect on July 1 granted limited granting of OTB licenses to significant infrastructure-limited licensees, but provided that the nonprofit industry stakeholder association, which is the VEA, that's recognized by the Commission as it has been, may be granted those licenses if there's no significant infrastructure-limited licensee or a pending application for such a license as filed by August 1 of 2015.

Well, in late July, Colonial Downs filed the application to have one day of racing in November of this year, but that application is clearly not pending in any real sense at this point. It was never really a legitimate application.

In addition to all of the logistical and practical problems it raised, it proposed a contract with a recognized majority horsemen's
group that is not recognized -- the recognized
majority horsemen's group in the Commonwealth of
Virginia. The statute that went into effect on
January 1 specifically provided that the Commission
would designate that entity, and it held hearings
and workshops, and it did so and it designated
Virginia HBPA.

This Racing Commission should recognize now
that Colonial Downs' application for the one day of
racing this November has effectively been abandoned
or expired and should be dismissed, and the
Commission should permit the Virginia Equine
Alliance to move forward with its plans to apply
for and obtain and operate OTBs. Thank you.

MR. REYNOLDS: Thank you. I would just like to
add I hear what you've said. I don't believe the
application has expired. I believe it is still
pending; therefore, I think it is time.

This Commission has been very patient with that
pending application, because both parties were
negotiating at what I thought was in probably good
faith, but it just did not come to fruition, but I
do believe that application is pending, and I do
believe that we need to have -- either the
application will need to be withdrawn by the
applicant, or this Commission needs to schedule a hearing to consider an act on that application; and therefore, I would like to propose and I'd like to put on our November 17th agenda a hearing to take action on the pending application of July 28th from Colonial Downs.

Mr. Laws, do I need to take a vote on putting that on the agenda?

MR. LAWS: I don't think so. No. Usually for these hearings, Bernie and the party who is going to appear work out the dates, make sure everyone is available since they are here.

MR. WEINBERG: Colonial Downs has no objection. We will be here on the 17th.

MR. REYNOLDS: Thank you. Do any commissioners have any comments about this hearing or anything about the application or this topic?

MR. MILLER: I don't have any comments on hearing of the application. I'd like to flesh out just one aspect of the negotiation, if I could.

At the risk of getting involved in the negotiations, I don't want to be involved. I would just like to know which party proposed to the other party that Colonial Downs' racetrack facility be rented on a weekly or monthly basis, rather than
leased as a ownership lease. Which party raised that?

MR. HANNUM: Colonial asked that we submit a proposal to rent the facility.

MR. MILLER: Colonial, is that correct?

MR. GUIDROZ: Rent, lease.

MR. MILLER: Yeah. Rent.

MR. GUIDROZ: How do you differentiate between the two?

MR. REYNOLDS: I always wondered that myself.

MR. MILLER: That's what I'm trying to figure out. There had been discussions about leasing the track, paying -- keep paying for all the maintenance and up-keep of the track, et cetera, et cetera, and then doing whatever you want to do with the track as the leaseholder with however many races you want, whatever character, rent it out for carnivals, fairs, whatever you want to do as a leaseholder.

Colonial Downs or Jacobs Entertainment would collect their lease amount, the amount of money that they agreed to lease it to the leaseholder. That didn't happen, so then it was suggested, I assume, that instead of leasing the facility as a leaseholder, that they would rent the
facility for a specific purpose; that is to run races. Is that correct?

MR. GUIDROZ: Correct. I had that conversation with Jeb, Debbie and Frank Petramalo. I brought that up.

MR. MILLER: And you indicated that you would like to have a proposal for renting it on a weekly or monthly basis to run races?

MR. GUIDROZ: There were several other concessions and bullet points during that very constructive conversation, and we ended the conversation collectively saying we like this structure, we're gonna come back to you with a number.

MR. MILLER: Okay. Then they responded to that. Did you then say to Colonial Downs, yes, we would like to rent it on a weekly or monthly basis to run races there?

MR. HANNUM: Yes, we did, and that was the letter that was sent to Colonial on October 1st with the Commission copied.

MR. MILLER: Okay, and then Colonial said the proposal was not adequate?

MR. GUIDROZ: The conversation that followed that, the proposal wasn't adequate because it
didn't have a long-term mechanism to it. It didn't secure high-end racing. In terms of purse amounts, it wasn't a long-term agreement.

MR. MILLER: Dare I ask this? What difference does it make to you as Colonial Downs if you want to rent a racetrack out to Company X?

MR. GUIDROZ: Right.

MR. MILLER: Why do you care? As long as you get your rent, if you rent it out to them to run races, I mean as long as you get whatever rental amount you want, what difference does it make how many races they run in that week? If they rent it for that month, they rent it or whatever the race is.

MR. GUIDROZ: Well, because we're talking about a limited pool of funds. We can't afford to pay you rent because we want to race a lot. We want to race here, here, and here, and we want to race that much more at your track, so we can't afford to pay you rent.

MR. MILLER: Did they propose renting it from you for nothing?

MR. GUIDROZ: One of the proposals had zero rent. Yes.

MR. MILLER: Oh, well, I can understand --
MR. HANNUM: Actually, that's not -- that's --
you're talking about a different proposal.

MR. MILLER: That's okay.

MR. HANNUM: The October 1st rent proposal
included a specific amount for three weeks, and it
was not $1 or zero. It was $100,000 a week.

MR. MILLER: For three weeks?

MR. HANNUM: For 300,000 total.

MR. MILLER: Okay. Was that proposed to you?

MR. GUIDROZ: It was. Correct. The rent
proposal came in addition to the track. You also
got the two parlors, Hampton and Richmond, which
generate more than $2 million a year in cash flow.

MR. MILLER: Well, when they're licensed.

MR. GUIDROZ: Correct. Correct. Well, we
won't get in to that story. But those two parlors
generate enough cash flow to generate more than
$2-plus million a year.

MR. MILLER: All right. That's okay. I
shouldn't have asked that question. I'm sorry.
Never mind.

MS. BOUZEK: Sarge, can I say something,
please?

MR. REYNOLDS: Yes.

MS. BOUZEK: You know, we keep talking about
little pieces of, you know, this is how it ended, this is the October 1st, this is the -- and I'm speaking on behalf of not Jacobs Entertainment, but the employees or the employee that's left.

If you go all the way back to the starting point, the conversation was this is what it costs us to do nothing but try to keep this track in shape for racing; it's $2 million. I've cut off every light bulb, I've gotten rid of my employees. It cost $2 million in taxes, what have you.

We want -- I want -- I'm not speaking for anybody else -- somebody to race at the track. I don't think it's gonna be Mr. Jacobs, it doesn't appear, so I want it to work with them.

The people I work with can go work for them. It was, you know, some of them I didn't agree with, I'll tell you. Them leasing it 52 weeks; was that gonna work? I don't know. But the last proposal we put in that said you get the OTBs, we don't want a penny. You get the OTBs.

And I told them there's two guys that I've got that could run those OTBs blindfolded and make $2 million. Two million dollars. That doesn't count what you make from account wagering. That doesn't count whatever else you get money from.
So we're gonna give you that, you get all the money from account wagering, and what do you want. And they came back with 300,000. And unfortunately, the owner of the company said I'm not gonna lose $1.5 million to do this, to do that.

MR. REYNOLDS: I understand.

MS. BOUZEK: It started with this amount, so the last proposal is that we put out to them, it was --

MR. REYNOLDS: Well, somewhere, the numbers aren't working for somebody, and I know you all have been working really hard on it.

MS. BOUZEK: But to hear them say they're gonna lose $1.5 the first year, we're losing $2 million every year that we're trying to hold it open until something happens.

MR. GUIDROZ: With parlors not open.

MR. REYNOLDS: Like everybody said, we want to get this resolved one way or the other, and one way or another, we want to get those parlors open.

MS. BOUZEK: For those that have not had the pleasure of going through this since 2013, if you go back and you look at the minutes to the meetings or the transcripts of the meetings, our very first proposal was 12 days of racing. Four weeks, three
days that they're willing to do now. After that, it was five weeks, five days.

MR. REYNOLDS: Well, a lot has happened since then.

MS. BOUZEK: Well, I'm just saying.

MR. REYNOLDS: A lot has happened since then.

Thank you. Commissioner Van Clief.

MR. VAN CLIEF: Just a brief comment. I'd like to thank both parties. At the last meeting, we did ask them to go back to the table and try again and expend every effort to see if they couldn't reach a cooperative agreement that would keep Colonial Downs as part of Virginia's racing portfolio and move together as a state industry.

I, unfortunately, have been here since 2013, and have the pleasure of seeing all of this happen, and I'm willing to accept the fact that the parties are not gonna be able to come to an agreement, as sad as I think that is.

So I think we have no choice but to move on. I agree with our chairman that the two key short-term issues that we have facing us right now are the Colonial Downs application, which is hanging fire and has everything to do with the operation of the OTBs. The state needs those OTBs up and running,
so if we could have done it sooner than November 17th, we would have done it.

We have held fire waiting for these negotiations to we hope bare fruit, and it looks like they are not going to.

The other issue we already dealt with is the TwinSpires issue. That's our other short-term revenue issue.

And so again, I think we're taking the proper steps and should move ahead as quickly and completely to bring both of those issues to closure on November 17th.

MR. REYNOLDS: Thank you. Commissioner Dawson, anything?

MS. DAWSON: No.

MR. REYNOLDS: Mr. Hettel, one more. The VTA and HBPA status and the Virginia-bred stakes races at Laurel.

MR. HETTEL: We went and had a great time. Debbie Easter is gonna fill us in on some of the specifics of it. It was well attended. We had a Virginia-bred win the Virginia Derby. Get out of town. So Deb, take it away.

MS. EASTER: Debbie Easter, Virginia Thoroughbred Association. As Bernie stated, I
I think we had two real successful days. The handle for our eight races was over $2 million. The races filled really well on the Virginia-bred day. We had all sorts of nominations. People had a good time. I think there was 183 people in the dining room for that.

The best thing is that, as Bernie said, a Virginia-bred finally won the Virginia Derby, which is awesome. We had legit horses in those two stakes on that Saturday. The grade one winner is a $1 million owner, so I think our races were legit.

On the Virginia-bred day, I think we had four of the six winners of the Virginia-bred races were Virginia, had some tie to Virginia, so I think we tried to do as well as we could delivering purse money to Virginians and helping breeders with black type on their horses.

Overall for considering the short timing and everything, I think everybody -- Laurel was tickled to death the handle was double what it was last year on the Virginia-bred races, and you know, we were facing competition for other races around the country, but they liked our races, which was awesome.

MR. REYNOLDS: We'd like to get them back.
MS. EASTER: Yeah, we would. It would be nice to have them back. That would be a great thing. I don't know whether you want this now or in public opinion, but I thought you might want a little report on the races on 9/20 and on the harness racing, but you -- I'll let Dr. Griffin here tell us about 9/20, since he was the race director.

MR. REYNOLDS: Yes, please.

DR. GRIFFIN: My name is Alfred Griffin. I'm director of racing at the Virginia Gold Cup, and in that capacity also affiliated and participating with the Virginia Equine Alliance.

On September 20th, that Sunday, Virginia pari-mutuel flat racing took on the NFL, had a race meet at Gold Cup's course at Great Meadow.

We conditioned six flat races from a mile and an eighth to a mile-and-a-half. We received 112 entries for those six. We limited each field to ten, so we had great fields that day, and 52 horses ended up running, going to post.

As in keeping with the statutes, our nonprofit partner for that day was the Fauquier SPCA. We turned over all of our advertising for that day. It was kept local to Fauquier County. They took care of all the parking, et cetera, and I have a
note in my pocket of thanks from the president of 
the Fauquier SPCA saying that they raised 
approximately $20,000 on that day and want to know 
when they can do it again.

The race day, we had 3800 in attendance, which 
is a great start for that day, and I think that 
it's indicative of a grass roots great interest in 
Thoroughbred racing in Virginia.

The week after that, Fox Field ran in a non 
pari-mutuel way. In ten days, again at the same 
Great Meadows course, we have the fall 
international Gold Cup, where we'll entertain 
35,000 of our best friends for another day of 
pari-mutuel racing, both in the flat and on the 
fences.

In keeping with the organization of that one 
day of flat racing on the 20th, I happened to talk 
to a number of the betting public, including Ron 
During, who wrote a great op-eds piece in the 
Richmond paper about the viability and future of 
live racing.

He gets it, and he also expressed to me the 
desire, the great desire, for the OTBs to be open. 
They all said they don't even make half of what 
they used to on ADWS because they want the OTBs.
Frankly, I know two of the commissioners remember the Blue Ribbon committee more than two years ago where we tried. We have been at this blockage for over two years now. There were some great ideas thrown around that table, and we're making it happen, but we're now being choked by this stand-still.

We've wasted two years of racing. Does racing in the country supplant what opportunity exists at a major facility? No. But it certainly does feed in to it for some day when we have it.

Now we're at that point where we can't choke this momentum anymore or else -- all the other states are very envious of our opportunity here and want to know how we're doing it at this point.

I would just ask that the Commission strongly consider opening up the opportunity so a lot of good Virginians can do what they're trying to do to promote racing in Virginia. Thank you.

MR. REYNOLDS: Thank you, Dr. Griffin.

MR. VAN CLIEF: I did have a question, actually, for Debbie. Debbie, do you think given the success and the numbers you just mentioned at Laurel, did that day meet your hopes in terms of continuing to build exposure or at least maintain
an exposure level for the Virginia-bred brand that you hoped?

And number two, when we talked about the allocation of purse dollars to make all that happen in Maryland. We discussed a share and on-site handle. Do you have any numbers? Do we have a revenue stream? Although I know it wasn't gonna be large coming out of that day, but will it feed into the VEA budget?

MS. EASTER: Sure. Well, it won't actually feed into the VEA budget, because the HBPA put up the purses for those races, or most of the purses for those races.

So I don't have the exact number, but roughly, the handle was 2.1 million, a little over 2.1 million for that day. So if you take five percent of that, I believe what's happening -- and Frank is not here to comment.

I believe that the purses, Frank pays in to their purse account after the races. So what happens is they just discount the payment by that five percent that should come back to the horsemen.

MR. VAN CLIEF: So the revenue reflected is the savings for the purse account?

MS. EASTER: Exactly. I believe that's how
that works on the races. And if you all know any
different, tell me, but I think that's how that
works.

Yes. I think it was -- unfortunately, what
we've had to do is compress all of Virginia racing
into about two to three weekends. So we had those
great stakes up at Laurel and well attended and
horses entered, and so what we tried to do is build
a program that we had that opportunity for folks.

The day on 9/20, we tried to write races where
we were taking horses that didn't fit those
conditions that were at Laurel and give them an
opportunity.

Obviously, we'd love to write some shorter
races. We don't have the facility right now to do
that on the grass here, which we hope comes, but we
tried between that, Maryland, what's happening at
the Gold Cup here in two weeks, those Virginia-bred
races that we put around the steeple chases. We
put a little bit of something in there for
everybody so everybody gets an opportunity this
year. It may only be one, but that's what we're
trying to do, and so far, I think it worked out
really well.

To get the type of entries we got, and every
place, the only place that got hurt was the Virginia-bred race at Fox Field. I think we hurt that race because of the races. We carded everywhere else, but I'm excited and I hope we continue to have great entries there at the Gold Cup in two weeks, and I think that will lead right into a positive that Jeb can tell you about the standardbred, unless there are any other questions.

MR. VAN CLIEF: Thank you.

MR. HETTEL: Do you want an update of the standardbred right now? Jeb, why don't you tell us about that briefly?

MR. HANNUM: Yes. Comment on that briefly. We had our first weekend at Oak Ridge last weekend. Attendance was a little under 200 on the first day, which was a cold day with a forecast of rain. Handle was a little under $5,000.

The next day, Sunday, was a spectacular day. We had about 500 people there, and it was really just a great day. People were excited, people were down on the rail, and families were there, and there was a line at the pari-mutuel tent all day long, and that was, I may have mentioned, a little under 7,000 handle on Sunday. So not big numbers. People were excited to be there.
The Holland family was a joy to work with. They are excited to have racing back. Thank you, Commissioner Van Clief, for coming out, and I hope if any of the other commissioners are free this weekend, you might be able to pop down.

It's a wonderful venue, we have a great team putting on races, and it has been a lot of fun, so I'll give you a full update in November. Thank you.

MR. REYNOLDS: Anything else, Mr. Hettel?

MR. HETTEL: That'll do it.

MS. DAWSON: Mr. Chairman?

MR. REYNOLDS: Yes.

MS. DAWSON: I think the Commission or at least as one commissioner, I would like to offer a word of praise to the VEA for what they've done, continuing racing in 2015.

I have attended some of them, and I believe there's a lot of work that goes in to it. So I am very impressed with the success they have seen, and hoping that plans for 2016 will be even better.

MR. REYNOLDS: Thank you for that comment.

Okay. I'd like to now invite the public for comment. Remember to please state your name if you choose to speak, and please keep your remarks
within five minutes.

Anybody from the public like to speak?

Lighting is getting ready to hit. Mr. Berman?

MR. BERMAN: Nope. You know what I'm curious about.

MR. REYNOLDS: Okay. Hearing none, I would like to turn to the commissioners for any comments that they may like to make. Commissioner Miller?

MR. MILLER: No comments.

MR. REYNOLDS: Commissioner Dawson?

MS. DAWSON: That was my comment.

MR. REYNOLDS: Commissioner Van Clief?

MR. VAN CLIEF: None further for me.

MR. REYNOLDS: And I have no comment, except to reiterate what Commissioner Dawson said. Thank you to everybody from the VEA for the hard work you're doing. I also thank Colonial Downs for working hard to try to make something work. I'm sorry that, you know, we're still at an impasse, but I appreciate you all's efforts as well. That's my only comment.

Mr. Hettel, is there any reason to move into closed session today?

MR. HETTEL: No pending matters.

MR. REYNOLDS: Okay. That being said, our next
Virginia Racing Commission meeting will be held on Tuesday, November 17th at ten o'clock, and we will let you know where the venue is. Other than that, I would like to --

MR. HETTEL: Might want to mention Courtney's last meeting.

MR. REYNOLDS: I would like to -- thank you very much. I totally forgot. I would like the record to state that this is Courtney Reid's last meeting for the Virginia Racing Commission. She has found something better. I can't believe that. I'm gonna ask her to tell us what you're gonna be up to.

MS. REID: I'm going to work with the National Steeple Chase Association, so I'll be moving to the Elkton and Bear, Maryland area, and I'm going to be the racing operation coordinator. I'm going to be doing a lot of different things, so I hope to see you all at the steeple chase meetings.

MR. REYNOLDS: Stay in touch with us. We'll miss you, and thank you for all your hard work, and we wish you nothing but the best of good luck.

MS. REID: Thank you.

MR. REYNOLDS: Good luck. I'd like to seek a motion to adjourn.
MR. VAN CLIEF: So moved.

MR. REYNOLDS: Do I hear a second?

MS. DAWSON: Second.

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

NOTE: The commissioners vote aye.

MR. REYNOLDS: The motion carries unanimously.

We are now adjourned. Thank you all for coming.

NOTE: The meeting is adjourned at 10:44 a.m.
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 31st day of October, 2015.

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SANDRA G. SPINNER
COURT REPORTER