VIRGINIA RACING COMMISSION

May 7, 2014

10700 Horseman's Road

New Kent, VA 23124

Commencing at 10:00 a.m.

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

COMMISSION STAFF:
Bernard J. Hettel, Executive Secretary
David S. Lermond, Jr., Deputy Executive Secretary
Kimberly C. Mackey, Office Administrator
Joseph M. Roney, Director of Security & Operations
C. Richard Harden, DVM, Equine Medical Director

ATTORNEY GENERAL'S OFFICE
Joshua E. Laws, Esquire

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<table>
<thead>
<tr>
<th></th>
<th>AGENDA</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Approval of the minutes of the regular meetings of March 27, 2014</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Approval of the minutes of the appeal hearing of April 11, 2014</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Commissioners' Comments</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Committee Reports</td>
<td>20</td>
</tr>
<tr>
<td>5</td>
<td>Executive Secretary's Report</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>a. 2014 Thoroughbred Racing</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Closed Meeting</td>
<td>49</td>
</tr>
<tr>
<td>7</td>
<td>Public Participation</td>
<td>35</td>
</tr>
<tr>
<td>8</td>
<td>Set Next Meeting -- TBD</td>
<td>52</td>
</tr>
<tr>
<td>9</td>
<td>Adjournment</td>
<td>60</td>
</tr>
</tbody>
</table>
MR. REYNOLDS: I'm going to call today's Commission meeting to order, please. Thank you for coming. I certainly expect and hope that this is a productive meeting today.

The first item of business is to approve the minutes of the regular meeting of March 27, 2014. The minutes are behind Tab One. Are there any comments, additions, corrections to the minutes? If not, do I hear a motion to approve the minutes?

MS. DAWSON: I move that we approve the minutes.

MR. TROUT: Second.

MR. REYNOLDS: All those in favor?

MS. DAWSON: Aye.

MR. VAN CLIEF: Aye.

MR. REYNOLDS: Motion carries. Behind Tab Two, we have the minutes from our hearing held on April 11th, 2014, behind Tab Two. They're pretty basic.

MR. TROUT: Mr. Chairman, I move they be approved.

MR. REYNOLDS: Do I hear a second?

MR. VAN CLIEF: Second.

MR. REYNOLDS: Did I get a second?

MR. VAN CLIEF: You did.

MR. REYNOLDS: Okay. All those in favor?
MS. DAWSON: Aye.

MR. TROUT: Aye.

MR. REYNOLDS: Yes?

MR. DUNAVANT: I would like to make some comments on that. I wasn't here for that hearing, but I wanted to inform the Commission that the harness horse people were extremely embarrassed and upset by the Commission's decision to vacate a judge's ruling in that matter.

I don't know how many of you are familiar with what Epogen is. Until very recently, we were unable to test for it, and it's a big, bad thing in cheating and horse racing, and I know the job that Dr. Harden has done in trying to catch these individuals that cheat, and they kind of had this person red-handed, and when I was at Rosecroft last week is when I heard about it, and we're kind of the laughing stock of the harness horse industry now for vacating that judge's decision.

MR. REYNOLDS: Okay.

MR. DUNAVANT: My people want to know is there any way that some criminal charges aside from that can be brought against this individual so that we're assured that he is ruled off everywhere in this country.
MR. REYNOLDS: Okay.

MR. DUNAVANT: You know, it's just not acceptable to the harness horse people for this individual to be vindicated.

MR. REYNOLDS: Okay. Well, are you done?

MR. DUNAVANT: Yes.

MR. REYNOLDS: I don't think anybody on this commission disagrees with those comments that he was caught red-handed. I'll ask Josh to maybe talk a little bit about why they were let off. It wasn't because of what he did or didn't do, but there were some serious technicalities that arose in this.

We all felt that he -- obviously, he did something, they tried to cover it up, but I want to turn it over for Josh to speak to that a little bit, and also maybe to speak about pursuing criminal charges in that thing.

MR. LAWS: Good morning. My name is Josh Laws. I'm from the Attorney General's office and I'm counsel for the Racing Commission, and I'll go ahead and address the criminal charge aspect first, and then I will --

MR. DUNAVANT: Can you speak up a little bit? I'm old and hard of hearing.

MR. LAWS: If you can't hear me, just stop me
and ask me to speak louder. I don't have a problem
with that.

Regarding the criminal charges aspect, we did get
in contact with the New Kent Commonwealth's attorney.
The Commonwealth's attorney in any jurisdiction in
Virginia is the person who is responsible for
prosecuting criminal charges.

My office generally doesn't handle criminal
charges, with some exceptions. We prosecute sexually
violent predators and things like that, but this is
not one of the areas that we handle. We don't have
the jurisdiction to handle it, so we referred it to
the New Kent Commonwealth's attorney's office.

My understanding from them is that the
evidentiary burden in criminal court is you have to
prove a charge beyond a reasonable doubt, so it's a
higher burden than we have here, and that; one, the
evidence just wasn't there to prove a criminal
conspiracy, because that's what we would have to
charge them with, is a criminal conspiracy.

There wasn't enough evidence to meet the beyond a
reasonable doubt standard; and two, the people who we
would prosecute, mainly, Dean Eckley, is in Ohio, so
Virginia doesn't have the authority to actually issue
a subpoena or an arrest warrant and then have it
enforced in Ohio. He would have to come back to
Virginia, then we would arrest him, but beyond that,
our criminal enforcement powers stop at our border,
so we couldn't, you know, go over to Ohio and bring
him back, in other words.

And two, the reason that the stewards' decision
had to be vacated. In the Virginia regulatory
scheme, there's probably eleven things that the
Racing Commission personnel have to do in order to
preserve the chain of custody and honor the due
process rights as established in the regulations, and
our folks did a great job; they got ten of eleven.
They did by the book on ten. They did exactly what
they were supposed to.

On the eleventh one, there was a little bit of a
hiccup, partly because of the actions of Dean
Eckley's agent, but that little hiccup was fatal to
the case.

Under Virginia Code 2.2, I think it's -- I
haven't looked at it in a month. I think it's 2.2 --
I'm not gonna quote it. I don't remember it off the
top of my head. 2.2-400.2, maybe.

There are certain standards that this Commission
has to meet when making a decision, and because we
had that one hiccup, we couldn't meet that standard,
and so it was my advice to the Commission that if
they upheld the stewards' decision and it was
appealed to the Circuit Court, that there was a
greater than not chance that we would lose.

So I'm the one who suggested that the decision
had to be vacated, because I felt that that's what
the law required. I wasn't happy about it. I think
you're right that it's a horrible drug and the
evidence that we had indicated that he gave that
horrible drug to that horse, but unfortunately, the
law said that we had to vacate it. I'm not happy
about it, but I think that's the --

MR. DUNAVANT: Let me ask you this. Now, I can
understand that. Is there any way that this
Commission or the management of Colonial Downs can
make it aware to the other states and jurisdictions
that this wasn't just a vacated decision; that there
were complications in how this split sample was
handled and the Virginia Commission is not letting
this individual come back to the state and race?

MR. LAWS: Yeah. There's two responses I can
give you to that. I know for a fact Colonial Downs
has issued a no trespass order to Dean Eckley, and if
I'm wrong, please correct me, but he's not allowed
back to this racetrack.
And two, the decision that I'm drafting, which will be the decision of the Commission once they review it and once they approve it, that's public record. So the factual findings that are contained in that decision lay out what the evidence factually showed occurred. Then it has a legal analysis on why the Commission had to reach the decision it reached.

But the factual findings are public record, so what the Commission believes the facts show and what the Commission found as facts, the activity that Dean Eckley engaged in and his agent engaged in will be public record, and any state that wants to look at it can look at it.

MR. DUNAVANT: But I'm saying I don't know are they gonna want to hunt it down. Is there some way you can send that to them so you know they get it?

MR. LAWS: I think a 49 cent stamp would be the easiest way to do it. I'm not saying that the Commission will.

MR. DUNAVANT: My association could do that, if necessary?

MR. LAWS: Yeah. Any person, any corporation, anybody who thought it would be good to let those bodies know about it can send it.

MR. PETRAMALO: Doesn't it get included in the
RCI database?

MR. HETTEL: They only publish rules. In terms of the complete analysis of the law, I'm not sure they do that. We can certainly send it to them though. It's like ejection notices. They don't include that in their database.

MR. REYNOLDS: Mr. Van Clief.

MR. VAN CLIEF: Could I just, speaking as an individual, I'd like to have a brief comment as well. Just so there's no question, and for the record, yes, we are familiar with EPO. We know what it does and how it works and why it's bad and what it can do to horses, as well as to the integrity of the sport.

Nobody more than this Commission wanted to mete out what we felt was gonna be justice, and had there not been a serious legal obstacle to doing that, I'm sure we would have been on record with something that you would have found much more satisfactory.

I'd also like to make the point that I think this Commission is attuned to those types of issues as perhaps any, and I would point out that at this juncture, we are one of only four states and probably one of the first to have approved the new and substantially tougher medication rules. So it's very much in our gun sites and we are looking to be as
tough as we can on those kind of perpetrators.

    MR. DUNAVANT:  Thank you.

    MR. REYNOLDS:  Okay.  Is that all?

    MR. DUNAVANT:  Yep.

    MR. REYNOLDS:  Thank you.

Before we get to the next part of the meeting, I actually wanna take a minute to welcome back Commissioner Clint Miller. Clint, I don't know why, but great to have you back. We need you and it's great to see you again after a couple years.

    Commissioner Miller is a past chairman of this Commission. He brings a lot of experience to the table and we look forward to working with you.

    MR. MILLER:  Thank you.

    MR. REYNOLDS:  Thank you for joining us again.

    MR. MILLER:  I think I'm glad to be back. I really appreciate it.

    MR. REYNOLDS:  We're glad to have you.

With that, I will move on to Commissioners' comments, and I will start with Commissioner Miller, if you have any comments.

    MR. MILLER:  No comments, except, again, I look forward to working with all of you. I missed all of you. I really did.

    MR. REYNOLDS:  Commissioner Trout.
MR. TROUT: Just I'll point out once again the Board of Supervisors member Ron Spears is here with us today monitoring this and trying to figure out how the county is gonna balance the budget without the horsemen and Colonial Downs coming together on some kind of an agreement. I told him not to take a check home today.

MR. REYNOLDS: We're gonna get it done.

Commissioner Dawson?

MS. DAWSON: Yes. Thank you. First of all, I do want to say that I do echo everything that Commissioner Van Clief just said about the Eckley case, that he accurately reflects how the Commission feels.

Secondly, I don't know how many of you have read the Richmond Times-Dispatch this morning, which I always try to do, and I didn't have time to bring it with me, but there is an editorial on the editorial page about a gentleman who just passed away who was a very accomplished gentleman.

But what the editorial did not say was that he was also a native Virginia Thoroughbred breeder. His name is Kenneth Tomlinson. He was an old friend of mine and had nothing to do with the horse world, but it was significant to me, because the last time I
heard from him was about the Colonial Downs horsemen's contract dispute and his saying to me that I do hope you will do everything possible to make sure that we do have racing at Colonial Downs this year.

So I just want to comment that he was one of the people that supported racing in the Commonwealth and he will be very much missed. I know he was a member of the ETA and very active in the Thoroughbred industry. So he deserved the accolades he got in the Times-Dispatch, but they forgot to mention his horse connections.

MR. REYNOLDS: Thank you, Commissioner.

I guess with my comments, you know, here we are, it's May 7, 2014, and we still don't have racing dates. We have been talking and talking since January about this. Obviously, we've had many articles in the paper about this, and quite frankly, it's time for the talking to stop and it's time for action.

I blame myself for a little bit. In my business world, I'm an extremely patient person. I've always negotiated with extreme patience and not pushing too hard, just let the sides come together. It's worked well in my life; it's not working well now.
So in my mind, today is the day. Today is the
time to take action. I think I urge my fellow
commissioners that we will take action today and we
will pass a resolution and we will have racing dates
in 2014.

That's about all I have to say. I could go on
for hours, but I've talked to almost all of the
stakeholders many, many times, Mr. Jacobs many, many
times, Debbie, Ferris and Frank some, and it's just
time for action, and with that, I'll turn it over to
Commissioner Van Clief.

MR. VAN CLIEF: Thank you, Mr. Chairman. I
agree with your comments about the four months of
fruitless negotiations that we've undergone.

I'm sorry we are sitting here as late in the year
as it is without a contract, and I only wish that the
way we handled it had been a little different.

After 17 years, regardless of the nature of the
dust-up, these parties have always managed to come to
a compromise, work out a business plan and go
forward. Certainly would have helped if they would
have done that again, but here we sit.

I'd like to, if I could, Mr. Chairman, maybe take
a few minutes to just make some personal observations
--
MR. REYNOLDS: Yes.

MR. VAN CLIEF: -- about where we are and our job, and I'll be prepared, if you would desire at whatever point during the meeting if you wish to make a motion, and I will talk a little bit about that.

My view is that we are at a tipping point, perhaps an historic tipping point in the history of Virginia racing, which if you think about it actually goes back a couple hundred years.

As the Chairman said, it's time to take action. I think failure to do so and in that regard failure to run racing dates during 2014 potentially has the direst of consequences for our sport and our industry.

As I think everyone in the room knows, it's the Racing Commission's responsibility not just to regulate our sport, but we're charged with the responsibility of sustaining it, of promoting it, and if we can, of growing it, and I think that's turned into a bigger job than regulating it at this point.

When you think about what racing, as the point of the spear, if you will, supports in this state, it supports a tremendous amount of commerce and agriculture. Whether it's training centers, breeding farms, lay-up operations, whatever the nature of the
operation, racing helps to support, and certainly over the last 17 years has directly supported the maintenance of thousands of acres of green space. It helps to develop and maintain a commerce not just of racing and breeding, which we focus on as our key constituents a lot of the time, but all the collateral industries with which you're all familiar.

Whether it's the back office functions like insurance and accounting, or things you see as you drive along the road; the production of feed, equipment manufacture and sales, fencing, tack, veterinary services. The list goes on, and on, and on, and whether you express it as GEP or financial impact or whatever stats you like to use, racing supports an infrastructure, even as limited as racing is here Virginia, which develops millions of dollars in revenues, tax base and in capital assets.

After having sat on this Commission for now 16 months and watched this, what has become a glacial process draw out over four months, I'm convinced that we have to have adequate days of live racing to continue to support that infrastructure and those jobs, much of which is the life work of some of our citizens and residents of this state while we transition to a new model.
We certainly have no objection to moving away from the status quo, and some of you heard me opine that I'd like to move away from the status quo as quickly as we can.

I think our responsibility as commissioners is to our entire industry and our constituents, and that includes our horsemen, our breeders and our racetrack.

We don't deny that Colonial Downs has every right to turn a profit and to deliver a positive return on their investment to their shareholders, and they made it clear they need a new model. We agree.

But I believe that to go dark, if you will, to not have live racing of the type we've had this year invites disaster.

We are already leaving a lot of money on the table. The numbers that we were just given this morning would indicate an estimated $17 million-plus in lost handle and a total lost revenue in excess of $620,000, among them the relevant stakeholders.

So I think it is absolutely essential that we go forward with racing this year, that we do it in a manner that will support a Thoroughbred race meet, and that we do it as swiftly as possible to get back in to action our satellite wagering facility, stop
leaving these dollars on the table, and perhaps most importantly of all, we have turned off our customer base. We are hearing from them almost every day, and when horse racing loses customers -- and we talked about this trend before.

Just to remind you, the latest study done by McKenzie Associates a couple of years ago indicated that racing nationally is losing four percent of its customers every year; not a sustainable trend.

I don't know what we're losing here now, but they will go away if we continue doing what we're doing, which is nothing, and they may not come back. So digging ourselves out of a hole any deeper than we've already dug is not a pleasant prospect.

Personally, I am prepared to offer a motion to the Chair and to my fellow commissioners that will mandate a five-week 25-day meet, run during the customary summer dates.

I offer it as a transitional year. I think it's important that we run during this transition, but I'm also going to ask my fellow commissioners to recommit to a serious planning process that will result in a new business model which will give Colonial Downs what it justifiably wants and needs in terms of building new product, high-end racing, but at the
same time provides continuity for our racing
infrastructure so that there is enough racing to
maintain that infrastructure and those jobs.

I think we also need to commit to building a
Virginia racing partnership, one that has been
shattered. I've always looked at racing as a
partnership. With the state, it's a regulated
agency, so here we sit representing the state, the
racetrack operator and the horsemen.

That partnership has obviously been fractured,
but I'm an eternal optimist, and I think we can put
it back together and I think we must.

I think if we don't race this year, then we risk
a permanent fracture of that partnership, and without
such partnership, it's my opinion as well that
developing the political wherewithal to go get done
what we're going to need to get done to build a new
model is going to be very, very difficult, if not
impossible.

To give some credit where it's due, throughout
this sort of painful negotiating period, there have
been some creative ideas, and I think there are some
exciting concepts which have been put on the table,
and I would love to see us follow up on them.

Mr. Chairman, thank you.
MR. REYNOLDS: Thank you, Commissioner. With that, we'll go to the executive secretary's report.

MR. HETTEL: Yes, sir.

MR. REYNOLDS: Do we have any committee reports today?

MR. HETTEL: No.

MR. REYNOLDS: Okay. Go ahead. I'm sorry.

MR. HETTEL: Okay. No problem.

I'd like to start my report by asking Dr. Al Griffen, the host of the Gold Cup, to give us a brief synopsis of an excellent weekend and a huge, huge crowd and growth of pari-mutuel wagering in Virginia.

MR. GRIFFEN: Thank you. I bring good news today. The 89th running of the Virginia Gold Cup was held this past Saturday, and in attendance, we had over 70,000 people, which was up probably about 12,000 to 15,000 over our previous high.

The course held well. Despite the torrential rains, the course held up throughout the day well. I think that with that number, we are well on schedule to reach our goal of over 100,000 attendees for our two-day race meets in spring and fall.

Handle was up over 67 percent over last year, so just over 135,000.

when you look at the breakdown of bets, you can
see the very unsophisticated nature of the better. Most of them were win wets. Basically, we have a lot of new blood here who are totally uninitiated as it comes to betting on horse racing. Great opportunity in our eyes.

We had only 42 horses running in six races, including the Virginia-bred flat. Little disappointed in that. I think it was due to the conditions that we've had to hold to through the National Steeple Chase Association, but which we have the opportunity to change and to improve and upgrade next year.

Anecdotally, for the first time ever during the course of the day, I had three different people, all sober and well-heeled, who came to me and asked how they could purchase a steeple chase horse. There was enthusiasm I can say that I hadn't encountered before. So to me, I think that speaks to the enthusiasm that day generated.

I'll answer any questions anybody has.


MR. REYNOLDS: We have questions.

MS. DAWSON: I do have a question for you.

MR. GRIFFEN: Sure.
MS. DAWSON: At the end of the day when, especially right after the Gold Cup, the fourth race, a lot of people were lined up to try to cash tickets. In the program, it said that tickets could not be cashed after 6:30. Some people had to get out of there. They didn't have time to stand in line.

MR. GRIFFEN: Right.

MS. DAWSON: It should be clear in the program what the alternative is. I think there was something mentioned about calling the Gold Cup office.

MR. GRIFFEN: Right. In the program, it states they can be cashed in at the Gold Cup offices between now and next year. I think it's six months to do that.

MS. DAWSON: Is it six months? Is that right?

MR. LERMOND: Six months. Yes.

MR. HETTEL: It would last until the next time we were there with the International. It would be good that day also.

MS. DAWSON: Okay.

MR. GRIFFEN: It's printed in the program, maybe not hi-lighted enough.

MS. DAWSON: Yeah. I think it needs to be.

MR. GRIFFEN: Certainly.

MS. DAWSON: As you said, there were a lot of
uninitiated betterers there.

MR. GRIFFEN: Right.

MR. REYNOLDS: Do you have a bet on how many outstanding tickets you have?

MR. GRIFFEN: No. I don't have that.

MR. REYNOLDS: How did it go this year versus last year? You all had a lot of growing pains.

MR. GRIFFEN: We did. What we found was that a couple times, we were able to postpone the start by a couple of minutes to accommodate the lines. Talking to the tellers afterwards, there were very few, if any, people that did not get to place their bet. Most people were betting on the following race. There was a little bit of, again, an initiation. People would stand in line, get to the beginning and not know what to do.

MR. REYNOLDS: Right.

MR. GRIFFEN: So that still is a learning curve we're trying to help with.

MR. REYNOLDS: That's great. Congratulations.

MR. PETRIMALO: Commissioner Dawson, I'd like to point out that I made several wagers while I was there, but not once did I have to stand in line to cash a ticket, so.

MR. HETTEL: Excellent handicap.
MR. PETRAMALO: We'll be back in the fall.

MR. REYNOLDS: That's great.

MR. PEARSON: I would like to say that's why we send Mr. Petramalo.

MR. HETTEL: Mr. Pearson, do you have any comments you'd like to make, other than the handicapping?

MR. PEARSON: I think that as a person that has watched racing for a very long time, that so many things in racing are on a downturn nationally, it's really been invigorating for me to watch Gold Cup become a player in this picture.

And to a person that's particularly jaded from being at a racetrack 55 years my last birthday, I've had some sort of professional license for 55 years, a long time. To see the enthusiasm of the public at those races.

After watching a million races that are just races, just the distribution of funds made me feel good about our sport, and I think that there's something to be taken from that, from all the participants in this room, but I think it has to be recognized and accepted before you're going to be able to make any progress. Thank you.

MR. HETTEL: Thank you. Okay. We'll get now
to the impasse of the 2014 Thoroughbred days, and I'd like to call on either Ian or Jim. Would you like to begin this discussion on where you are with the 2014 race meet?

MR. STEWART: Sure. Good morning. This morning, let's start with the facts. On December 11, 2013, the VRC ordered 25 race days over five weeks. This was perceived to be a status quo solution. In extended negotiations, we offered to race more days to compensate for cost.

On January 28, 2014, the contract with the HBPA expired. On January 30, 2014, I wrote Mr. Hettel a letter, which Colonial Downs reiterated its previously stated willingness to sign the same contract as before and run the 25 days.

On February 4, 2014, upon the HBPA's continued refusal to extend the contract, the VRC ordered Colonial Downs to stop taking wagers on the Thoroughbred races in the OTBs. No matter what else you hear today, these are the facts.

Today, we find ourselves in a very ironic position. The HBPA, after three months of unsuccessfully trying to muscle Colonial Downs into giving in to it's demands, decides they want to do a contract and race 25 days after all.
While it's certainly admirable that they appear to have realized the futility and self-destructive nature of their actions, it's not that easy to turn the clock back and pretend the last three months never happened.

In the three months from February to the end of April, the HBPA's actions cost the state $240,000 and the localities $125,000 in lost pari-mutuel bets. It has cost the Breeders Fund $100,000, the Thoroughbred purse account $670,000. Ironically, the harness purse account has been the sole beneficiary, by my calculation, gaining $119,000. This obviously is the time of year when the interest in horse racing is at its peak.

This has cost Colonial Downs approximately $1.5 million against its operating plan. Four of our OTBs are closed. A number of people lost their jobs or had their hours reduced. Today, we find ourselves in a very different place than we were three months ago.

So now, the HBPA wants to turn the clock back and race 25 days, a return to status quo. Unfortunately, that's not possible. The operating funds to pay for the 25-day meet were never generated because there's been no Thoroughbred wagering in the OTBs for the
last three months. So how can we have status quo at 25 days after losing three months worth of revenue?

To argue that another low-end race meet will achieve the mandate to promote and sustain and grow Virginia racing while promoting excellence is a pretty big stretch. What's the point of Colonial Downs spending another $1 million to pay for a five-week meet that does not advance the strategic vision of Virginia racing?

In spite of this, if the HBPA is prepared to reimburse us for our losses in the last three months, we'll run the 25-day meet and we're prepared to spend the next ten days negotiating the details.

In the event the HBPA does not agree, we're prepared to run several weekends for the Breeders Fund money. This will require horsemen to join the request with us for the standard 18 percent and 22 percent take-outs. We invite those who would like to race to do so. We're trying to make the best of the current situation.

We live in kind of a funny world. For some reason, many people believe nothing is anyone's fault and there are no consequences. The harsh reality is this.

Since February, every stakeholder in Virginia
Thoroughbred racing has lost something. It is somebody's fault and there are consequences. Simply pretending the last three months never happened is not an answer. To suggest we can simply return to the status quo is not an answer. Even with 25 days of racing, we're operating slightly above a break-even cash flow on a huge investment. We cannot operate at a loss.

Horse racing in Virginia requires a long-term plan that recognizes the strategic and economic reality. Nothing else is sustainable. It's very difficult to force somebody to keep doing something that loses money. It's time to move beyond the short-term battles to achieve short-term goals and look to the future. The sooner we contract a long-term economic model that works, the sooner we get back to racing.

MR. HETTEL: Thank you, sir. Mr. Petramalo or Stephanie?

MR. PETRAMALO: Yes. Let's talk about the facts in specifics, as opposed to generalities. We were here -- well, let me back up. We started negotiating with Colonial Downs for a new contract in late summer, early fall of 2013. That contract, of course, included race days. We got to December and we
had reached no agreement on the issue of race days.

As you will recall, Colonial Downs submitted a request for four weeks, 12 days. We submitted a request for eight weeks, 32 days. That was consistent with the long-established -- and when I say, "long-established", I'm talking ten-year formula that we use for determining race days.

We took $200,000 -- when I say, "we", this is Colonial and the horsemen now. We took $200,000, divided it into the available purse money to ride at race days. Well, the formula yielded 30 days for 2014. Colonial reneged on the formula.

So we extended our contract which expired on December 31st three different times through January 29. We were getting nowhere, and on January 29, I had a conversation -- we were supposed to be here in the meeting, but it was called off because of snow.

That same day, I had a conference call with Ian and Jim, and we agreed that we were at a stalemate and that there was no sense in negotiating further. That meant the contract expired with the third extension, and by law, not by any action of the HBPA. By law, without a contract, the OTBs had to shut down the Thoroughbred racing.
Now here's where we were in terms of race days at that point. This was an agreement between the principals, Ian and myself, on seven weeks, 28 days. However, Colonial said we can only do that if you reimburse us or give us $300,000 toward overhead expenses. Our counter was, no, we'll do 150,000, but not 300,000. So that's where the stalemate was; not really a big problem.

The Commission set up professional mediation through the McCammon group. When we went to mediation, I thought we were there with 7/28 and the difference between us being 150,000. During that mediation, the HBPA upped its counter offer to $280,000, only $20,000 apart.

Colonial rejected it, and for the first time says we want to run two weeks for a total of six days, high-end boutique meet. Well, the mediator threw his hands up in frustration and said we're not going anyplace on this.

About a week or two later, we came back to this Commission on St. Patrick's day, and this Commission proposed a compromise; seven weeks, 21 days, cutting back from the seven. We agreed to that and put that in writing to the Commission. Colonial rejected it.

Colonial then came back with -- excuse me. I
believe that the next thing that happened was Colonial came back with three scenarios rejecting seven weeks, 21 days. They came back with three scenarios, which can be fairly characterized as centering around a six-day boutique meet in the fall with high purses, and Colonial also said, look, we need a long-term agreement.

We rejected that for reasons that I won't get into, but we countered. We said, okay, here's what we'll do. We will agree to seven weeks, 21 days in the summer, and we'll agree to a three-day boutique meet, and because you want stability, we'll do a two-year deal. Well, Colonial rejected that also.

The next thing that happened was the Commission got involved again and proposed a compromise of six weeks. We accepted that; Colonial rejected that.

Then Commissioner Reynolds on behalf of the Commission sent out a letter to us and said, look, this is it. Time to act. We're gonna give you until May 1st. Make another attempt at reaching an agreement, and we did that.

I had conversations with Jim Weinberg, and he said Jeff Jacobs is willing to come up here and meet with the horsemen, but let's see first of all whether we can agree with some concepts to see whether it
makes any sense for him to do so.

The concepts were as follows. Colonial wanted to split the purse account in the following fashion. Two-thirds to a summer meet and one-third to a fall boutique, and I said that's no problem. We pretty much proposed that in the 7/21 scenario that we did.

He said, however, Colonial wants the option to use that one-third money from the purse account or income from Instant Racing to reimburse its apparent $1.5 million loss. My response was I think it highly unlikely that our board would ever agree to use purse money to reimburse you, but I propose the following.

Colonial says they lost a million-and-a-half, and at that point, we figured our loss was about a half a million. I said, well, subtract our half from your million-and-a-half, leaving a net of $1 million, and with regard to your reimbursement of that sum, we'll take it from Instant Racing, if and when it comes, but my board will not agree to use purse money for that. A day or two later, Jim Weinberg came back and said that's not acceptable to Colonial.

So here we are. You decide who's at fault here. I think there's enough blame to spread among all sides, including the Racing Commission. I think you're to blame, and I kind of put that in quotes,
because you were too lenient on us. We were diddling around for four months going absolutely noplace, and here we are almost in the middle of May when the back side usually opens up for shippers. So we're way behind the curve at this point.

But I think it's simply wrong to say that now everything has, as Ian says, everything has changed and we can't go back and do the five weeks, 25 days. They are as much to blame for losses as we are. All they had to do is sit down and be reasonable, the same way they've done every year for at least the last 13 years that I've been involved. This year was different. It's my way or the highway. That was their view.

But in any event, so here we are today. While we're not happy with five weeks, 25 days, we understand that those are the days that the Commission has assigned. We can't wait any longer, so we will run those days and we will cooperate. And when I say, "cooperate", that means we will execute a contract with Colonial for this year, that for all intents and purposes is the same as the contract we had last year.

Now, Colonial says, well, we're not gonna do that. Well, I suggest it's now time that you start
acting as a regulatory agency that has the
responsibility to make and enforce decisions that are
in the best interest of Virginia racing.

You have the authority to direct Colonial Downs
to run the five weeks, 25 days that you've assigned,
even if they don't want to run them, because if they
don't, the statute makes it quite clear that you,
quote, shall revoke their license to operate the OTBs
if they do not run the assigned days.

As I said, we'll cooperate, we'll execute a
contract, and I don't think there's anymore time
for delay.

MR. DUNAVANT: The harness horsemen are
concerned. We heard rumors that as Frank just
mentioned, they might shut down the OTBs and take
their license. We have a contract for this year, and
we feel like that would kind of be stepping on the
harness horsemen's shoes if you were to shut down the
wagering in the OTBs when we have a contract to race
and we don't think that's proper.

MR. REYNOLDS: We're aware of that. Thank you.

Bernie, do we need go into a closed meeting
today?

MR. HETTEL: Yes, sir. We do. We have a
personnel matter we need to talk about.
MR. REYNOLDS: Can we do that after the public participation towards the end of the meeting?

MR. HETTEL: Sure. Absolutely. It would be the last item.

MR. REYNOLDS: I'd like to make it the last item, so those who want to leave and not stick around for that --

So I want to move to the public participation. We have a lot of folks from the public today. If you all would like to speak, you're welcome to. If you would like to speak, please just stand up and state your name, please, for the record. Would anybody from the public like to speak?

MS. COSLEY: Actually, I do. As the Gold Cup --

MR. REYNOLDS: What's your name?

MS. COSLEY: My name's Catherine Cosley [ph]. I actually live locally. As I mentioned back on March 17th, I came on the back side of the racetrack as a hot Walker and just a horse enthusiast, and now five years later, I now own two Thoroughbred race horses.

As the representative from the Gold Cup identified, part of this is growing the sport, and I now am getting in to the sport at a time period
wherein it's more of a low point, and I just want people to realize that there are people out there that are enthusiastic about this, and that unless this goes forward for somebody as small as myself, I'm not gonna be able to continue moving in that direction, unless there's something here locally for me to be able to race my horses, and that's all I have to say.

MR. REYNOLDS: Thank you. Anybody else?

Debbie?

MS. EASTER: Debbie Easter, Virginia Thoroughbred Association. I think as I've stated before at previous meetings, I think it's unfortunate that we've gotten to this point. Obviously, for us to grow racing and for Colonial Downs to be successful, hopefully successful, that we all have to go forward as partners. As Chairman Van Clief said, that's -- we're not acting like good partners here at this point.

I'm interested in Mr. Stewart's comments about the couple days they might propose, a couple weekends with Breeders Fund money, because that's the first we've heard of that proposal, and being a representative of the Breeders, I think I would have loved to hear that phone call before it was put out
in public here.

But I do think, you know, there are those of us that are open minded. We know the model is broken. Chairman or Commissioner Van Clief's Blue Ribbon Committee. We've all said we're open minded. We need to look at the whole situation. We need to study what's going on.

We know that Colonial -- nobody's arguing that they don't lose money while we're having live racing here, and the model is broken and we got it. I would just let everybody know that this is a transitional year and that people are very open minded to talking about the future and making it a win-win for everybody. Thank you very much.

MR. REYNOLDS: Thank you. Any more? Yes, ma'am.

MS. GODSEY: My name's Karen Godsey, and I've been a trainer down here the last ten years and I have a training center in Ashland, Virginia.

If we don't have racing days this year, I leave here, I have to send probably 15 horses out-of-state. I probably need to lay off two people. I need to call my feed man and tell him I probably don't need but half the feed you're bringing me. My hay man, all that kind of stuff. So it's gonna affect people
like me greatly.

Mr. Wilson here, I train a horse for him. We're waiting to set up a van, depending on what happens in this meeting, whether he stays here and races, keep supporting Virginia racing, or we'll be sending him out-of-state.

MR. REYNOLDS: Thank you. Yes, ma'am.

MS. MCKENNEY: My name's Jessica McKenney. I -- for Colonial Downs at the Dogwood Classic. I got my trainer's license last year. Looking forward to a great meet this year.

I had a stakes horse, a Virginia-bred stakes horse that holds a track record that I pretty much gave away yesterday. I claimed him two or three years ago for 16,000 here. I pretty much gave him away yesterday, because I figured since Colonial Downs didn't come to agreement before the Derby that we're done.

It breaks my heart to give away these horses that I put my blood, sweat and tears in to, because we're talking about losses because people can't come together on something. It's not just my livelihood; it's my passion and it's my life, and it's not just playing games about who did what and pointing fingers at somebody.
It's so frustrating to see all the bad information circulating, when I know that Frank and the HBPA has been willing to negotiate, that they have had other options, and then we come in here and get something like Mr. Ian has proposed that's just outrageous, that if anyone can sit here and can listen to this, I just want to get up and leave.

I have some people that are trying to sell some straw. Do you know anybody that would like to buy some? Because we're sitting on it. She can send it to Delaware, but she'd rather, you know, sell it to these people here.

These good people like Karen, like Stephanie that have farms here, they're stuck in a lurch.

What are we gonna do? Time for bickering is over. Let's make a decision whether we close it down or we work something out, because it's a wonderful facility and a wonderful place and it has got great people, so I really hope we can come up with something.

MR. REYNOLDS: Thank you. Anybody else?

NOTE: There is no response.

MR. REYNOLDS: Okay. Let's see. I think it's time for our motion.

MR. VAN CLIEF: All right. Mr. Chairman, I'm
prepared to offer a motion as follows. Whereas the
Virginia Racing Commission's charged with a
responsibility of sustaining and developing the
Commonwealth's native horse racing industry, and
whereas as Colonial Downs and the Virginia HBPA,
after not less than four months of negotiation,
mediation and attempted compromise have not reached
agreement on a contract for conduct of live racing
during 2014, and whereas it is our belief that
failure to conduct a live race meet in 2014 would do
irreparable harm to the state's horse racing and
breeding industries, we the Virginia Racing
Commission hereby direct Colonial Downs to conduct a
2014 summer race meet of not less than five weeks in
25 days duration, and further direct that training
and stabling facilities necessary to sustain such
race meet be made available to horses and their
connections which would participate in the meeting.

We further direct the Virginia HBPA and Colonial
Downs to immediately enter the necessary contractual
agreements necessary to conduct such race meeting and
necessary to immediately commencing operation of the
state's satellite wagering network.

We further direct that such contract be submitted
to the Commission -- I'm going leave this open, but I
would have said within ten days, so let's be specific on that before we leave -- but I'll include it as within ten days following this meeting, so that any approvals necessary may be issued by the Commission without delay.

Now, as a footnote, my ten-day period was as fast as I could make it, while we still give legal notice of a meeting. So that is subject to change if the Commission or others think it appropriate.

MR. REYNOLDS: Yes, sir.

MR. VAN CLIEF: While making the motion, I wanted to also stipulate that the 2014 contract be transitional in nature.

I want to be clear with all the parties that the Commission does believe we need to develop a new model. We need to pursue some of the initiatives that have been mentioned to us in recent weeks, and we will convene the industry stakeholders for the purpose of developing such an updated racing model and pursuing the implementation of productive new initiatives.

Such a plan will be designed to give Virginia racing the opportunity to reverse its present declining trends and to support growing racing and breeding industries within the state.
We're gonna ask the stakeholders who are currently convened under the auspices of our VRC so-called Blue Ribbon panel to continue to make immediate and best efforts to reach agreement regarding the specifics of a new business model. It will be our intent to use such a model as the basis for a multi-year contract, so we can hopefully give some stability and a chance for progress to the industry going forward.

MR. REYNOLDS: Thank you, Mr. Van Clief. Are there any questions from the commissioners before I entertain a motion?

MR. TROUT: Mr. Chairman, just a brief comment. I think this is a good resolution that tries -- we've heard a lot of concern about who is responsible for what, and some of that responsibility has been placed on this Commission, and I think this is an effort by the Commission to try to make things work, at least assuming that it does go through.

I think that this is a valid and appropriate action to be taken by this Commission at this time in order to try to preserve and move forward horse racing in Virginia, pari-mutuel betting in particular. Thank you.

MR. REYNOLDS: Okay. Ms. Dawson?
MS. DAWSON: Mr. Chairman, I agree with Commissioner Trout. I don't know whether this resolution will be adopted, but I do ask that if it is, could we have the authority to amend it and correct it grammatically in a couple places?

MR. REYNOLDS: Yes.

MS. DAWSON: All right.

MR. VAN CLIEF: Just a comment, too. I think anything I write, it's implicit that it needs to be corrected grammatically, so I say absolutely.

One other technical point, too. It occurs to me that obviously, this Commission voted in December to pre-approve, for lack of a better description, a five-week, 25-day meet.

So technically speaking at this point, should the motion be couched as a reiteration of that approval or a reconfirmation of that approval, Counselor? From that standpoint, how should we technically couch that?

MR. TROUT: Would Counsel take a look at that? That was actually something where the Commission said if such a contract comes before the board, it was something we would consider favorably or at least vote on it.

This actually is probably a stronger document
that is coming up now, and Counsel, he's pondering
about it, so he's thinking. You gotta worry when an
attorney starts thinking.

MR. LAWS: The Commission assigned racing days
in December 2013. I don't think at this point that
assignment of racing days currently as things are now
can be reopened. I don't think it can be done anew,
so I think phrasing it as a reiteration of a previous
order would be proper.

MR. VAN CLIEF: Mr. Chairman, I amend my motion
to move that we reiterate our action in December.

MR. REYNOLDS: Okay. Are there any other
comments?

MR. TROUT: One thing you mentioned with the
ten-day period, we do need to -- unless this would
constitute pre-approval, we do need to meet and to
approve the contract; is that correct, Counsel?

MR. LAWS: Yes.

MR. VAN CLIEF: Is ten days appropriate at this
point? Is that something that -- I would think if
the parties can agree, they would deliver a contract
for approval within ten days.

MR. TROUT: As far as notice of the meeting,
can this meeting be continued to another date that
might be less than the ten days, or is that ten days
pretty much an administrative law requirement for notice?

MR. LAWS: I think ten days is what it is, but the Commission can issue a notice every day saying that ten days from now we're gonna have a hearing, and once the contract is agreed to, that way the notice would already be out there and you could just rescind the notices that are irrelevant.

MR. REYNOLDS: Ten days would be Saturday, May 17th, so the earliest date would be May 19th. That's 12 days.

MR. VAN CLIEF: My intent was to turn up the heat as high as we possibly could to get the parties to come together and get back to us, since time is now of the essence.

MR. PETRAMALO: I don't know the answer to this question, but is this approval of the contract something that you could delegate to the executive secretary in the same fashion that in the past you delegated to the executive secretary approval of ADW license renewals? I don't know the answer to that.

MR. VAN CLIEF: I'd ask Counsel, and if we can, then I would amend my motion again to authorize the executive secretary and chairman to approve it.

MR. LAWS: I don't know the answer to that off
the top of my head. I'll look into it and be happy
to talk to you and Jim about it as well.

MR. REYNOLDS: Anything within our authority
that we could do to expedite it, certainly, we want
to do.

MS. EASTER: I don't know if I'm allowed to
have a question right now, but certainly one of the
stumbling blocks has been the reimbursement of
Colonial in this matter, and I don't know if you all
have to meet to be more specific in your resolution,
so that that doesn't become a stumbling block in the
next ten days.

MR. REYNOLDS: Personally, that's gonna be
their problem. As a Commission, we're gonna direct
five weeks, 25 days of racing, and we're gonna use
everything within our power to see that that happens.

As far as reimbursement, they're gonna have to
figure that out themselves. If somebody wants to
differ, that's fine.

Commissioner Miller?

MR. MILLER: Mr. Chairman, there's always
disadvantages to being a lawyer. One of the
disadvantages is that you always should be certain
about exactly what you're voting on, and since this
is such a contentious issue to begin with, perhaps
let me suggest that while we're in our -- well, either while we're in our closed meeting, someone be delegated to put the words of this resolution down exactly.

MR. REYNOLDS: Yes.

MR. MILLER: Because once you pass a resolution that has a binding legal effect, it should say what it's supposed to say without any subsequent anticipated amendments or changes in the resolution to satisfy someone's question about what does the resolution say.

In other words, let's have the resolution exactly set down exactly what it's supposed to say, so that if someone does want to and ancillarily attack -- if that's a word -- the resolution, they have the exact resolution that we voted on, not some uncertainty. Am I making myself clear?

MR. REYNOLDS: You are.

MR. MILLER: In other words, let's put it down so that every word means what it says, and so that there's no doubt, so everyone has a clear understanding about exactly what the resolution says, because any party would have a right to attack the passage of the resolution.

MR. REYNOLDS: Right.
MR. MILLER: I assume -- and it's a contentious issue, so I can't assume that all the stakeholders are gonna be satisfied with whatever resolution we pass. I would hope they would be, but they may not be, and they're gonna have to have an opportunity to say this is what's wrong with the resolution.

MR. REYNOLDS: Right. I would agree with you that we need to vote on something that's clear and concise. Now, my question is if we went into a closed meeting to draft this, is that legal for us to sit there and draft it, or do we have somebody working on it while we're in our closed meeting?

MR. MILLER: I would suggest we have somebody working on it.

MR. LAWS: We can go into closed session for more than one reason, and we can do it for a personnel reason and also in anticipation of probable litigation. So when it's appropriate to make the motion to go into closed meeting, I'll list those two reasons, and at that point, we can talk about the personnel issue and draft the appropriate language in a clear and unambiguous language for the motion.

MR. MILLER: I think Jim has an observation.

MR. WEINBERG: I just wanted to add to Commissioner Miller's observation. I think the last
resolution was this was a reiteration of an order previously entered in December, to which Colonial Downs has no objection.

To the extent this is an amendment and it seeks to change the order, Colonial Downs would just note a procedural objection.

I think the Commission, under the Administrative Process Act, has an obligation to notify the parties, look, at this meeting, we are going to amend or consider an amendment of a preexisting order and put us on notice so that we are prepared to address those issues that come up.

So with all due respect, I don't think the agenda that was circulated for this meeting did that, so I didn't want to hold that back, have a lot of effort go into a resolution and then object on procedural grounds.

Substantively, I think what you have urged the parties to do, Mr. Stewart said in his remarks we're prepared to do, to have those discussions to see if we can come to a contract in the next few days. I offer that up in a sign not to be obstructionist, but to try to be helpful.

MR. REYNOLDS: No, no, no. It's good to know all that up front. Thank you.
Do you think we should go into closed session?
Do you want to read the order?

MR. LAWS: Yeah. I have the cite on my phone.

MR. REYNOLDS: Okay.

MR. LAWS: At this point, is there a motion to go into closed meeting under 2.2.37(11a) of the Virginia Freedom of Information Act, and specifically the Provision A7 and also A1 to discuss legal advice, to receive legal advice on probable litigation related to the motion that has been discussed, and also to discuss personnel and employment matters regarding the Commission staff?

Is there a motion to go into closed hearing for those reasons?

MR. REYNOLDS: So moved.

MS. DAWSON: Second.

MR. LAWS: Any objection?

NOTE: There is no response.

MR. REYNOLDS: All those in favor?

MR. VAN CLIEF: Aye.

MR. LAWS: Opposed?

NOTE: There is no response

MR. LAWS: We'll go into closed session.

NOTE: There is a recess from 11:04 a.m. until 11:43 a.m.; thereafter, the meeting continues
in public as follows:

MR. LAWS: At this point, is there a motion that confirms that under 2.2-3712, otherwise known as the Virginia Freedom of Information Act, only public business matters lawfully exempted from open meeting requirements under that law were discussed during the closed meeting, and only such public business matters as were identified in the motion by which the meeting was closed were heard, discussed or considered in the meeting by the public body?

MR. REYNOLDS: So moved.

MS. DAWSON: Second.

MR. LAWS: All those in favor?

MR. REYNOLDS: Aye.

MS. DAWSON: Aye.

MR. VAN CLIEF: Aye.

MR. LAWS: Any objection?

NOTE: There is no response.

MR. LAWS: Back in open meeting.

MR. REYNOLDS: Thank you all for your patience. I'm gonna turn the floor over to Commissioner Van Clief, who will read our motion.

MR. VAN CLIEF: Mr. Chairman, I'll withdraw the motion I made earlier, and in the interest of clarification, I'll submit the following.
I make a motion to reconfirm the Commission's December 2013 decision; namely, the Virginia Racing Commission hereby directs Colonial Downs to conduct 2014 Thoroughbred race meet -- I'm sorry -- a 2014 Thoroughbred race meet of five weeks and 25 race days duration. Further, the Commission stands ready to approve any contract agreed to by Colonial Downs and the Virginia HBPA.

Additionally, once a contract is approved by the Commission, Commission staff will immediately take action to direct that any satellite wagering facilities currently closed by operation of law be promptly reopened.

MR. REYNOLDS: Are there any questions or discussion?

MS. DAWSON: I second that motion.

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

MR. MILLER: Aye.

MS. DAWSON: Aye.

MR. TROUT: Aye.

MR. REYNOLDS: The motion carries.

To follow up on that, I'd like to set the next race meeting date. What I'd like to see by that date, if not before, is for you all to enter into
your new contract and bring it before the Commission
for our consideration for approval on that date.

I was thinking the best dates for me are
May 19th. That's the earliest we can do it. I'd
love to pick that date or May 21st. Do those dates
work?

MR. STEWART: I cannot be here on May 21st.

MR. REYNOLDS: All right. We got a bull's eye
on May 19th. Does that work?

MR. PETRAMALO: Yes.

MR. REYNOLDS: Stephanie?

MS. NIXON: Good.

MR. REYNOLDS: Great. Commissioners?

MR. TROUT: That's fine.

MR. MILLER: Fine.

MR. TROUT: Ten a.m.?

MR. REYNOLDS: Our next meeting will be on
May 19th, 2014 at ten o'clock in the morning, I guess
right here, if the horsemen will allow us to come in
here.

MR. PETRAMALO: Yes.

MR. REYNOLDS: Frank, did you have a question?

MR. PETRAMALO: Well, I just wanted to be clear
that in December, we had applied for eight weeks, 32
days in the summer. Colonial had likewise applied in
the summer for four weeks, 12 days and the Commission
came back and said, well, we're awarding the same
schedule that we did last year.

You didn't include in your motion the direction
to run five weeks, 25 days in the summer.

MR. REYNOLDS: We talked about that, and we
would like as a Commission to see it run in the
summer, but the exact motion that was put forth that
we approved just said five weeks, 25 days.

In years past, I believe the Commission has
always left it to you all to figure out the exact
dates when you all would run and you have always come
to an agreement on that.

Josh, do you want to explain why we couldn't put
summer in there?

MR. LAWS: Because it wasn't in the
December 2013 motion, I didn't think it was proper to
include any other additional instructions that were
not made in December 2013, because I don't think
currently as we sit today, the Commission has the
authority to make any additional instruction.

MR. PETRAMALO: Well, let me just suggest the
following. I think I've got the transcript here, but
my recollection is the motion was to run five weeks,
25 days as you did in 2013. Then as you did in 2013,
in my interpretation, includes running in the summer, because that's what we did in 2013.

MR. LAWS: If you do have that language?.

MR. WEINBERG: I have the transcript and I'm afraid that's not what it says.

MR. REYNOLDS: I have exactly what I read right here.

MR. HETTEL: Go ahead and read that verbatim back.

MR. REYNOLDS: I'll read the whole thing. I made some comments before I made the motion, but the motion itself, I'm gonna go backwards. The motion itself said: Mr. Chairman, I make the motion that the Virginia Racing Commission grant approval to Colonial Downs for 25 days of Thoroughbred racing over five weeks for 2014.

Colonial Downs and the Virginia HBPA shall work together to mutually agree upon the dates, days and times for the 2014 meet.

Now, I'll go back and read what I said leading up to that motion.

Mr. Chairman, before I make my motion, I would like to make a few comments. I am certainly disappointed that Colonial Downs and the Virginia HBPA were unable to agree on racing dates for 2014;
therefore, they have left this important decision to this Commission.

For three years, I have heard debate after debate for more dates versus fewer dates. Beauty is in the eye of the beholder and the constituency that one represents.

As a commissioner, I ask myself what is in the best interest of the overall health of Virginia racing and its path forward. Right now, that path is treacherous and unclear.

The overall health of the Thoroughbred racing nationally and Virginia in particular face extremely challenging times. I've heard over and over that the mission of Virginia horse racing is to promote, sustain and grow the native industry.

At this point in time, I believe we are in a situation where all we need -- where we all need to work together for the survival of this industry first and foremost. Only then can we promote, sustain, and the ultimate goal, grow this industry again.

How do we do this? I'm not sure at this point, but what I am sure of is that we have a room full of people who have the best interests of Virginia racing in their hearts.

Yes, each stakeholder represents different
constituencies, but we all share the passion and the
determination to make this work. We just don't have
agreement on a path forward.

I am encouraged by the recent formation of a Blue
Ribbon panel chaired by Commissioner Van Clief.
Although our work is not finished, I do believe we
have identified the major issues that need to be
addressed. We must find agreement on the best path
forward.

The various stakeholders continue to disagree on
race days and how we define quality racing. I am
confident that what will come out of the panel will
be an overall consensus and an executable game plan;
however, none of that will matter if we don't work
together and execute that plan. To repeat, that can
only happen if we all work together.

Now as far as the racing dates go for this year,
I have studied both the proposals thoroughly and
clearly, and the two proposals are worlds apart.

My fervent hope is that through our work early
next year on the Blue Ribbon panel, we can bridge
that gap. I am not a fan of the status quo, or as
some say, splitting the baby. I believe that last
year's results are inconclusive and don't think that
enough data exists to vote for one extreme or the
Therefore, I will propose the following motion to repeat the weeks and days that Colonial Downs and the Virginia BPA agreed to last year without reliance on last year's Commission for final arbitration.

Again, this Commission stands ready and committed to working with all of the stakeholders to move Virginia racing forward.

MR. PETRAMALO: Let me just read what Commissioner Siegel said at Page 51: Between now and the next meeting, if these parties would like to come back and make some alternate suggestions they can agree upon, whether it be fewer days or more weeks or vice versa, this is Commission will entertain that, but the idea was to do what you agreed to do last year, only because you couldn't agree to do anything else.

That's what I took to mean agreeing to do what you did last year was 5/25 in June and July.

MR. REYNOLDS: Okay.

MR. PETRAMALO: I mean what I don't want us to get hung up on, is if we get in discussions with Colonial Downs and Colonial -- with regard to a new contract, and they say, well, guess what, we'll run 5/25, but in the fall, it's part of the harness heat
and we're back to where we started.

MR. REYNOLDS: You make a good point.

MR. VAN CLIEF: Just again, speaking individually, my intent, and as you probably noticed in my original draft, was that we avoid running the Thoroughbred meet concurrent with the harness dates.

My reason for that is not so much that I don't think Thoroughbreds and harness horses can't coexist, they probably can, but I think that the risk that we would be undertaking as an industry to run a Thoroughbred race meeting with the only facility on which to race a turf course at our disposal in September is too risky.

All it's gonna take is one hurricane to blow your race meeting away, and the industry would potentially be in serious financial risk. So I would oppose a concurrent Thoroughbred harness meet for just that reason.

MR. REYNOLDS: Mr. Laws, does that -- and we pretty much have to stick with what we approved in the motion?

MR. LAWS: Yeah. I think that the plain language and unambiguous language of the motion is what's crucial, and that's what the Commission passed, and that's what the Commission has the
authority to enforce.

MR. REYNOLDS: Okay. All right. Are there any other questions or comments?

NOTE: There is no response.

MR. REYNOLDS: The next meeting will be --

MR. HETTEL: Mr. Chairman, before you adjourn, Debbie would like to address the EZ Horseplay question you posed to me last night.

MS. EASTER: We'll take it up at another time.

MR. HETTEL: Okay. Good. Go ahead, Mr. Chairman.

MR. REYNOLDS: All right. Again, the next meeting will be May 19th at ten o'clock, and do I hear a motion to adjourn?

MR. VAN CLIEF: So moved.

MR. TROUT: So moved.

MR. REYNOLDS: Do I hear a second?

MS. DAWSON: Second.

MR. TROUT: Second.

MR. REYNOLDS: All those in favor?

MS. DAWSON: Aye.

MR. TROUT: Aye.

MR. REYNOLDS: We are adjourned.

NOTE: This meeting is adjourned at 11:57 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 5th day of June, 2014.
SANDRA G. SPINNER
COURT REPORTER