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VIRGINIA RACING COMMISSION

April 27th, 2010

10700 Horsemen's Road

New Kent, VA 23124

Commencing at 9:33 a.m.

COMMISSION MEMBERS:

Peter C. Burnett, Chairman
David C. Reynolds
Mark T. Brown
Stuart Siegel

COMMISSION STAFF:

Victor I. Harrison, Executive Secretary
David S. Lermond, Jr., Deputy Executive Secretary
Kimberly M. Carter, Office Administrator

ATTORNEY GENERAL'S OFFICE:

Amy K. Dilworth

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1 APRIL 27, 2010

2 MR. BURNETT: All right. We're a little bit
3 late getting started this morning. It's
4 nine-thirty.

5 Has everybody had a chance to look at the
6 minutes? It's your Tab 1. Any changes?

7 MR. SIEGEL: I move they be approved.

8 MR. BURNETT: Do we have a second?

9 MR. BROWN: I second it.

10 MR. BURNETT: It's been moved and seconded.

11 All in favor indicate by saying aye.

12 Note: (Aye.)

13 MR. BURNETT: Motion carries.

14 Commissioners comments. Gentlemen, any
15 comments?

16 The only comment I would make is that it's
17 derby week, and I learned this morning from Iain
18 Woolnough that we've lost our favorite in the derby,
19 which is unfortunate, although it makes for a very
20 interesting betting race and it should make for lots
21 of interesting analysis this week. I did read, I
22 think, in the *Blood Horse* that ESPN's derby trail
23 coverage is up about 35 or 37 percent over last
24 year, which is kind of a nice thing to read. So
25 let's hope for that.

1 Also, Vic Harrison, our executive secretary,
2 sent, I think, the commissioners a very interesting
3 article, which I would encourage him to distribute
4 to other stakeholders, about the agreement between
5 Connecticut OTBs and one of the tote companies,
6 where the tote company comes in and pays some rent
7 and puts in the equipment, I think, and runs an OTB
8 much like the Finn McCools that we're talking about
9 today, later.

10 Apparently, they're going quite well and the
11 restaurant owners are pleased with it, because they
12 see -- what they get out of it are increased food
13 and beverage sales, and that's their piece. They
14 get some relief on their rent because the tote
15 company takes care of that. The communities love
16 it, because if I read the numbers correctly, the
17 take-out is 1.6 percent for the Commission there in
18 Connecticut or for the state and 1.9 percent for
19 localities. And so they go into -- I forget what
20 the locality was, but the small town is saying we'd
21 love to get \$65,000 a year. It was pretty nice.

22 Vic, if you could see to it that others get a
23 copy of that, that would be nice.

24 MR. HARRISON: Sure. Will do.

25 MR. BURNETT: Any other comments based on the

1 few I've made?

2 All right. Let's move on. The next item is
3 committee reports. The Code Revision and Rules
4 Committee met mostly by telephone a couple weeks
5 ago, let's see, a little longer than that, Thursday,
6 April 1st.

7 You have in your packet a short as we could
8 make it explanation, the original language and new
9 language and rationale for the changes that need to
10 be made and what I would like to do is go through
11 those now, have any discussion or amendment to them,
12 and then approve them as final regulation revisions,
13 provided everybody finds that acceptable such that
14 Dave can go on and post those in the *Register* and
15 they can be effective upon posting. Dave, is
16 that --

17 MR. LERMOND: We'll make sure that they're all
18 effective by May 29th, which is our opening day.

19 MR. BURNETT: Okay. There's a time period
20 after the posting?

21 MR. LERMOND: You can make them effective the
22 day you take them down there if that's your intent,
23 but --

24 MR. BURNETT: I don't know that these make any
25 difference until the racing meet.

1 MR. LERMOND: Right.

2 MR. BURNETT: Let's start with the first one.
3 It's Paragraph (A) of Section 11VAC10-60-70. This
4 is simply clean up language. The new language adds
5 the words in good standing after a person holding a
6 permit. The purpose of that is to make it
7 absolutely clear that any person with a suspended
8 permit cannot enter horses.

9 I'll just ask if there's any discussion or
10 questions on any of these as we go forward, and I
11 think we can pass them as a group. Maybe I should
12 also ask any stakeholders, the horsemen in
13 particular, if there are any issues with these as we
14 go forward.

15 MR. PETRAMALO: Yeah. I would be more than
16 happy to comment on them. I would request in the
17 future somebody would nominate me for the committee
18 and put me on the committee, the rules committee.
19 I've been to every rules committee meeting that's
20 ever been held. Apparently, somehow there was a
21 follow-up and I wasn't aware of it.

22 MR. BURNETT: I don't know how Frank got left
23 out of that meeting, and we --

24 MR. PETRAMALO: I feel very much alone.

25 MR. BURNETT: You also should feel slighted.

1 MR. PETRAMALO: Well, I always feel slighted.

2 MR. BURNETT: But I think -- I would, you
3 know, here publically nominate Frank to a permanent
4 seat on the Code Revision Committee.

5 MR. PETRAMALO: I second that nomination.

6 MR. SIEGEL: You can have two seats, if you
7 want, Frank.

8 MR. BURNETT: It's been moved and seconded.
9 All in favor?

10 Note: (Aye.)

11 MR. PETRAMALO: Thank you.

12 MR. BURNETT: You have a lifetime appointment.

13 MR. REYNOLDS: He's got a smile on his face.

14 MR. BURNETT: So far.

15 MR. PETRAMALO: Good.

16 MR. BURNETT: All right. Does anybody have
17 any comment on this first paragraph A language, the
18 in good standing addition?

19 All right. We'll move on to the next one.
20 Paragraph (E) of 11VAC10-60-70. The purpose of this
21 is to be clear about the suspension that -- other
22 jurisdictions use a 15- or 30-day rule. I think in
23 the committee hearing -- Dave, I'll invite you to
24 jump in and Vic, if I misstate anything, but I think
25 that the feeling of the group was that our stewards

1 have enough discretion that they can make the
2 punishment fit the crime and that any suspension of
3 ten days or more, since most of them would be
4 significantly more based on our offense roster, that
5 these would be appropriate consequences.

6 I do have a suggested language change under
7 new language, and that is that the communication
8 rule -- that the suspended trainer shall have no
9 communication with the new trainer, should also
10 include or any member of the new trainer's staff or
11 the owner of the horse. I think we're putting the
12 trainer on the shelf and not allowing him or her to
13 communicate about the horse and it's going into
14 somebody else's hands, that there should be a
15 complete cutoff of communication. That's my
16 thinking.

17 The second change I would suggest is that --
18 on the next to the last line, where it says, "from
19 the horses in his stable at the time of suspension,"
20 I think should say during the suspension. It might
21 be argued that the day you're suspended, you're not
22 allowed to get any financial benefit, but thereafter
23 you can. I think it makes it a little bit more
24 clear that during the suspension there should be no
25 financial benefit.

1 MR. PETRAMALO: I'm not on clear on this.

2 MR. BURNETT: I'm sorry.

3 MR. PETRAMALO: The suspended trainer is not
4 benefiting financially from the horses in his stable
5 at the time of suspension.

6 MR. BURNETT: You've raised a good point. If
7 you had X, Y, and Z horses in your stable at the
8 time you were suspended and had to transfer those
9 horses --

10 MR. PETRAMALO: What we're talking about is
11 the transferred horses.

12 MR. BURNETT: The transferred horses, yes. I
13 think what I've done is confused that a bit by
14 saying we can't get any benefit during the
15 suspension. We now need to modify it because those
16 horses aren't in his stable during the suspension.

17 MR. PETRAMALO: Right. So if I'm transferring
18 them to Ferris Allen --

19 MR. BURNETT: Right.

20 MR. PETRAMALO: -- I am not benefiting in any
21 way financially from those horses while they're with
22 Ferris Allen.

23 MR. BURNETT: That's the intent.

24 MR. PETRAMALO: Right.

25 MR. BURNETT: No kickbacks.

1 MR. PETRAMALO: If I happen to have some other
2 horses that stay in my stable that aren't racing and
3 I'm charging rent for them, I'm allowed to benefit
4 financially, correct? As long as they're not
5 racing?

6 MR. SIEGEL: That's not the intent, though, is
7 it?

8 MR. BURNETT: Well, I don't think you're going
9 to have any horses on the grounds because you're not
10 going to be allowed on the grounds.

11 MR. PICKLESIMER: Frank is talking about the
12 same owner has a horse laid up at the farm.

13 MR. BURNETT: Right. If that's the case, I
14 don't think that's a problem. I think the idea is
15 the trainer is outside of the enclosure and doesn't
16 have any horses within the enclosure under his or
17 her control. If they get a financial benefit from
18 horses on a farm, that's a different story. I think
19 that was the intention of the committee.

20 MR. PETRAMALO: Well, let's look at this
21 carefully then.

22 MR. BURNETT: Okay. I agree.

23 MR. PETRAMALO: I guess what I was not
24 contemplating was throwing the trainer and his
25 horses off of the property. I understood that

1 horses that were in racing, that were racing, if
2 they wanted to race during the time of the
3 suspension would have to be transferred to another
4 trainer, he would have no contact with those horses
5 nor would he benefit financially.

6 MR. BURNETT: It's not limited to racing. No
7 contact with horses. Your stable is dispersed,
8 period.

9 MR. PETRAMALO: You're throwing them off the
10 racetrack.

11 MR. BURNETT: Out you go.

12 MR. SIEGEL: We did talk last meeting about
13 not having access to the track --

14 MR. PETRAMALO: Right.

15 MR. SIEGEL: -- and getting through the guard
16 at the gate and all that.

17 MR. PETRAMALO: Let's carry that out. I'm
18 thrown off the racetrack. I'm gone for 20 days, but
19 I've got 40 stalls there. I transferred 20 horses,
20 and I got 20 horses that are sitting there being
21 cared for by my grooms and whatever. Can't do that.

22 MR. BURNETT: No. They've got to be
23 transferred.

24 MR. PETRAMALO: Even though they're not going
25 to race.

1 MR. BURNETT: It doesn't matter. And maybe
2 the racing secretary is going to save you some
3 stalls, but maybe he's not. No promise there
4 either. Don't get yourself suspended because you're
5 out of business on that first 20-day period. That's
6 the point.

7 MR. PETRAMALO: Huh.

8 MR. BURNETT: I mean, it's the old motel next
9 to the track in Florida. You sit there with a cell
10 phone and you train your horses.

11 MR. PETRAMALO: No, no. I'm not talking about
12 that.

13 MR. BURNETT: I mean, train them. I'm not
14 saying race them. I'm saying train them. No.
15 You're not taking a vacation from entries. You're
16 taking a vacation from training horses, period, and
17 the horse's benefit to you, period.

18 MR. SIEGEL: At this racetrack.

19 MR. BURNETT: At this racetrack, right.

20 MR. PICKLESIMER: Any racetrack.

21 MR. BURNETT: Well, it's going to be honored
22 that way, yeah.

23 MR. PETRAMALO: Any racetrack. That's pretty
24 harsh. Why is it that you reduced from the proposed
25 30 days back to the original ten? The first rule

1 that I saw proposed changing that from ten days to
2 30 days, and that didn't go through the committee?

3 MR. BURNETT: Right. I think that the
4 committee followed on -- again, correct me if I'm
5 wrong on this, Dave, with the thinking of the
6 Commission that most of the penalties that involve a
7 suspension, that it would get you to a suspension
8 are going to be considerably longer than ten days
9 anyway and that they're serious offenses.

10 Therefore, ten days -- a 10-day suspension is
11 fairly unlikely to be imposed, but we also didn't
12 want to see the Commission appearing to be softening
13 its rules for serious offenses in racing.

14 MR. SIEGEL: Well, you know you talk about a
15 serious offense versus an offense that could be just
16 suspended for ten days versus a serious offense that
17 could be 30 days or more and if it is a minor
18 infraction and you want to suspend someone for ten
19 days, do you really want to move 20 horses to
20 Frank's point off the racetrack or just the trainer
21 off the racetrack? I think that's sort of what
22 you're saying.

23 MR. PETRAMALO: Yeah.

24 MR. BURNETT: From my opinion, I mean, most
25 trainers are pretty hard working and don't go on

1 vacation very often, but when they do, it clicks
2 right along just like a regular stable. The guy
3 gets a nice vacation and that's that because they've
4 got good assistants or barn foremen and all that.

5 MR. SIEGEL: Keep the horses conditioned, but
6 the horse isn't allowed to race.

7 MR. BURNETT: Right. Which I don't think, in
8 my view, has ever been the intent of the suspension.
9 The suspension is you're out business to give it the
10 appropriate deterrent. I may be out voted. That's
11 no problem.

12 MR. SIEGEL: That's of any offense that draws
13 a suspension of any time?

14 MR. BURNETT: Ten days or more.

15 MR. PETRAMALO: Ten days or more is -- it's
16 not an unusual penalty. For example, there recently
17 was a horse disqualified at a steeplechase meet for
18 some type of medication that was basically a
19 tranquilizer, and it wasn't performance enhancing,
20 et cetera.

21 The RMTc penalties, it was a class three,
22 category B, 15-day suspension for basically a
23 non-performance enhancing sedative.

24 Now, how -- why that should put somebody out
25 of business is beyond me.

1 MR. BURNETT: Well, it puts them out of
2 business for a short time. The next time they'll be
3 more careful. Just don't be using that stuff. And
4 the sedative helped him or he wouldn't have used it.

5 MR. PETRAMALO: You can say that of any
6 medication.

7 MR. BURNETT: Sure.

8 MR. PETRAMALO: You don't give it to a horse
9 because it doesn't help them.

10 MR. BURNETT: Right.

11 MR. PETRAMALO: But the point is with our
12 10-day meet -- I mean, with our 40-day meet, it puts
13 somebody out of business here. You're gone.

14 MR. BURNETT: Correct.

15 MR. PETRAMALO: Well, I think that's fairly
16 harsh.

17 MR. BURNETT: I think we should be harsh on
18 medication issues. That's just my view. I'm very
19 harsh on medication. I'm a hay, oats, and water
20 guy. I just think it's got no business, and we've
21 got a wonderfully clean meet here. We hardly ever
22 have any medication violations, and I think if
23 someone gets themselves in that kind of a pickle, we
24 ought to be making an example of them. We should
25 tell the world that we're clean of drugs since most

1 racing fans think otherwise as it stands now.

2 That's just my view. These folks may agree with
3 you.

4 MR. PETRAMALO: Whether -- you know, I'm not
5 totally opposed to the notion of hay, oats, and
6 water, but unfortunately, that's not the world that
7 we live in in racing in the United States. There's
8 a whole plethora of medication that's permitted, and
9 sometimes there's a slip-up with no conscious effort
10 made to try and cheat as is the case with 99 percent
11 of the violations because they're all therapeutic
12 overages. No big deal.

13 MR. SIEGEL: Would it draw a suspension if it
14 was something that didn't enhance the horse's
15 capability?

16 MR. PETRAMALO: Yes. That's what I'm talking
17 about.

18 MR. SIEGEL: It may not draw a suspension.

19 MR. PETRAMALO: For the most part, the class
20 three drug, I can't pronounce the name, but it was
21 basically a tranquilizer. That particular drug was
22 not performance enhancing, but it carried a \$500
23 fine, loss of purse, and a 15-day suspension, all
24 drugs that fall within that.

25 Now, drugs that are in class one or class two,

1 those are performance enhancing. I don't have any
2 problem with that. Those ought to be subject to the
3 severest penalty, but when you get down to
4 therapeutic medications where for the most part it's
5 slip-ups, you've administered it too close to race
6 time or the dosage was too great, that to me doesn't
7 constitute a conscious effort to cheat and,
8 therefore, you know, put me out -- should put me out
9 of business.

10 MR. BURNETT: Hold up.

11 MR. SIEGEL: I think Dr. Harden may have an
12 opinion about it.

13 MR. REYNOLDS: I have a question of process.
14 Have we gone through a committee and this is what
15 the committee has done?

16 MR. BURNETT: Correct.

17 MR. REYNOLDS: It sounds to me like we're
18 discussing the committee's business now.

19 MR. PETRAMALO: Well, I wasn't at the
20 committee. I wasn't advised of the committee
21 meeting.

22 MS. RICHARDS: Me either.

23 MR. BURNETT: He's making his committee
24 comments nunc pro tunc.

25 Dr. Harden, can you help us?

1 DR. HARDEN: Well, the problem comes with the
2 category B penalty drugs, and there's a list of
3 about -- what was it? Fourteen pages, two columns,
4 single spaced. There's a ton of medications in this
5 category B. Some of them are bad products that you
6 need to come down hard when they're misused.
7 Others, acepromazine, 15-day suspension. We
8 suspended a harness horse trainer this winter for
9 using acepromazine. A lot of people use it to shoe
10 horses three or four days before they come to the
11 racetrack.

12 Robinul glycopyrrolate, which is used in a lot
13 of horses, it's an antihistamine to kind of clear
14 some of the nasal discharges out of horses. If you
15 give that too close, it's a 15-day suspension.
16 There's a whole gob of these that are considered on
17 the list of 47 necessary equine drugs, and then
18 there's pages and pages of them that should never be
19 in a race horse and all of them are category B
20 penalties.

21 This was what prompted us to look at this
22 10-day rule because all of the recommended penalties
23 are 15 days or more. So if you go with the
24 recommended penalty, which we were trying to do to
25 get uniform state regulations, then you're locked

1 into a 15-day suspension for somebody for a
2 violation. Although it's not a -- you know, it's
3 not as severe as -- it's not a mortal sin as opposed
4 to a venial sin, I mean, if you want to look at it
5 that way.

6 So the stewards -- this basically came from
7 the stewards that were here last year. They wanted
8 to modify this in some way to take the burden off of
9 them if they gave a 15-day suspension.

10 MR. LERMOND: Frank, to follow-up on what
11 Dr. Harden said, the more we looked at it, the
12 stewards do have some discretion. Under
13 disciplinary action, it says that they shall use the
14 penalty category and schedule as a starting place.
15 So I don't think they're locked into the 15-day and
16 also in the language itself, it says a minimum
17 15-day suspension absent mitigating circumstances.

18 So I think there are going to be some cases,
19 as Dr. Harden described, that maybe the stewards
20 might give the guy a 7-day suspension and increase
21 the fine just to make sure that he's not going to
22 make that mistake again. I think that was what
23 ultimately the committee decided, that we had the
24 leeway here and we trust our stewards to make the
25 right call, and they can certainly confer with the

1 executive secretary or the commissioners before they
2 make --

3 MR. PETRAMALO: Well, call me a cynical
4 defense lawyer, but boy, I'll tell you, it's going
5 to be an uphill battle for me to go in there with a
6 trainer who's got an acepromazine positive or
7 Lycopodineae and say, oh, well, just because it says
8 here class B, 15 days, really doesn't mean that.
9 You know, we're good guys and we just gave it a
10 little too close, et cetera. That's an uphill
11 battle. Even a brilliant lawyer like myself would
12 have a problem with that.

13 MR. BURNETT: That's how you increase the fee.

14 MR. PETRAMALO: Cupcakes and jokes is the fee.

15 MS. RICHARDS: That was just my question about
16 this language for extenuating circumstances. I know
17 my horses every month, the blacksmith won't shoe
18 them without dormosedan and that adds another 30
19 bucks onto my shoeing bill every month, but that's
20 the reality. And in this economy, you talk about
21 putting someone out of business, you're going to put
22 them out of business perhaps forever. I mean,
23 that's -- which maybe in some cases it really is
24 justified, but I'd hate to see that happen for a
25 dumb mistake.

1 MR. LERMOND: Maybe the RMTC needs to look at
2 category B in the future and see if they can't break
3 it down farther, then we could adjust our penalties
4 accordingly, but right now we're stuck with category
5 B as the RMTC sees it.

6 MR. BURNETT: Well, I think --

7 MR. PETRAMALO: Why don't you compromise and
8 make it 20 days, that would take care of the 15-day
9 automatic -- the 15-day suspension for the overage
10 of acepromazine or something like that.

11 MR. BURNETT: I'm satisfied with the language.
12 I would change financially -- to benefit financially
13 to transferred horses during the time of suspension
14 or during the suspension, but if anybody wants to
15 make a note to consider amending this particular
16 piece when we get to the end of going through them,
17 please do, because we'll vote on them all as a
18 block, and we can talk about them. Let's hope that
19 they all don't take the amount of time that one did,
20 but we'll see.

21 Paragraph (S)(1) of Section 11VAC10-60-120 is
22 a change from seven pound overweight to a five pound
23 overweight, which puts us in line with other
24 jurisdictions. I don't think there's anything more
25 to it than that, is there, Dave?

1 MR. LERMOND: No. And also elsewhere in our
2 regs it states five pounds, so we'll be consistent
3 with this change.

4 MR. BURNETT: Any questions on that one?

5 MR. BROWN: No.

6 MR. BURNETT: 11VAC10-110-10 --

7 MR. PETRAMALO: It's clear they're not
8 including the vest, though, right? They usually
9 allot two pounds for the vest.

10 MR. PICKLESIMER: Just weight.

11 MR. BURNETT: That's set forth elsewhere.

12 MR. LERMOND: Equipment is not included in the
13 weight.

14 MR. BURNETT: The simplified language
15 suggested in VAC10-110-100 is simply that the
16 request for claiming the weight penalties and weight
17 allowances for thoroughbreds and quarters horses
18 shall rest with the trainer. I've suggested that we
19 remove for thoroughbreds and quarter horses. We
20 know we're talking about any horse that needs a
21 declaration of weight, penalties, or allowances. So
22 I think it could be simplified to simply say, "The
23 responsibility for claiming the weight penalties and
24 weight allowance shall rest with the trainer." It's
25 simply more trainer responsibility. Any questions

1 on that one?

2 Paragraph (7) of 11VAC10-110-180, this is the
3 attempt to simplify calculating how long a horse has
4 to wait to run again, and two things have to take
5 place. The horse has to come off the veterinarian's
6 list. This is run again after being excused or
7 scratched. The horse has to come off the
8 veterinarian's list and the time period has to
9 expire.

10 What has been a difficulty in the past is
11 using racing days as the measure as opposed to
12 calendar days, and what has been proposed is that we
13 simply use the expiration of six calendar days
14 following the day on which the horse was scratched
15 or excused as the measurement of the time frame. In
16 addition to which, the horse also has to come off
17 the vet's list.

18 I have suggested that we put the vet's list
19 language first following the word -- hold on.
20 Following the word until on the second line such
21 that it would read, "Shall not be permitted to race
22 again until the horse has been removed from the
23 veterinarian's list by the commission veterinarian
24 and the expiration of six calendar days following
25 the day on which such horse was scratched or

1 excused." So there's no confusion that you measure
2 the six days from the date of scratch, not from the
3 date he was released by the veterinarian. Any
4 comment on that?

5 All right. Paragraph 11VAC10-110-190 is an
6 eligibility rule and that the responsibility for the
7 eligibility of the horse shall rest with the
8 trainer. I've suggested that the language under new
9 language be changed to delete in any event and
10 change the following language to no person shall
11 enter a horse, and I think it should be that, but
12 some English person can tell me whether it's which
13 or that if folks are familiar with that rule and can
14 help us. The language would be no person shall
15 enter a horse that is ineligible under the
16 conditions specified in the condition book or
17 condition sheet.

18 MR. PETRAMALO: Subject to Jim Weinberg's
19 comment, I would think it should be that and not
20 which.

21 MR. WEINBERG: I concur with Mr. Petramalo.

22 MR. BURNETT: Dang, I got it right. Good.
23 All right. Any comment on that one? Any English
24 majors want to weigh in and disagree with us?

25 Chapter 140 Amendments, 11VAC10-140-40, this

1 is who can touch the horse in the paddock, and it
2 simply adds the commission vet to the list of
3 permitted individuals to touch the horse.

4 I'm wondering as I think about it here, I
5 didn't catch this last night when I was looking at
6 it. We've got different descriptors for our
7 veterinarians. To the extent that you have a
8 licensee vet, which at some point we're going to
9 talk about, should we be including that individual?
10 If the Commission supervised that or, I mean, we
11 don't want it to be a private vet, obviously, but
12 how are we going to describe --

13 DR. HARDEN: Some of the wording we're putting
14 into the licensee veterinarian language would say
15 that the licensee veterinarian works under the
16 authority of the commission veterinarian. Now, I
17 don't know if that would then make him a designee.

18 MR. BURNETT: How about if we say the
19 commission veterinarian or his designee? Clearly,
20 you're not going to designate a non-veternarian for
21 that purpose.

22 DR. HARDEN: Right.

23 MR. BURNETT: Does that make sense, Dave?

24 MR. LERMOND: Yes, sir.

25 MR. BURNETT: That's a good point. Assistant

1 trainer. Can see the trainer for purposes of being
2 in the paddock.

3 MR. PETRAMALO: I would assume they fall under
4 employee, trainer employee.

5 MR. LERMOND: Uh-huh.

6 MR. PETRAMALO: And often -- half the time,
7 it's the assistant trainer tacking up the horse.

8 MS. RICHARDS: Or the valet.

9 MR. BURNETT: Employees of the owner or
10 trainer, assigned valet.

11 MR. PETRAMALO: Right. Robin points out that
12 tongue tie is limited to the trainer.

13 MS. RICHARDS: If the trainer is not there --

14 MR. BROWN: That was my question I was getting
15 ready to ask. Why would the trainer be the one
16 who's got to tongue tie them? Is that what it's
17 trying to say?

18 MR. BURNETT: How about we say and it shall be
19 affixed by the --

20 MR. PETRAMALO: How about the horse's trainer
21 or designee.

22 MR. BROWN: Or employee thereof.

23 MS. RICHARDS: No. Yeah, designee take cares
24 of all those people.

25 MR. PETRAMALO: Robin points out --

1 MR. BURNETT: Doc, are you okay with that?

2 DR. HARDEN: Well, my problem with tongue ties
3 is they're not always put on in the paddock. A lot
4 of times they walk over with them.

5 MR. BURNETT: Right. That doesn't change
6 here. Shall be affixed by the horse's trainer or
7 designee, who shall affix the tongue tie in the
8 paddock.

9 MR. PETRAMALO: In the paddock.

10 MS. RICHARDS: But lots of times you can't put
11 it on in the paddock.

12 DR. HARDEN: That's my problem. Sometimes I
13 see horses wearing these tongue ties entirely too
14 long.

15 MS. RICHARDS: Well, I agree with you. I
16 totally agree with that.

17 DR. HARDEN: So I like the language of having
18 it in the paddock, even though it's not something we
19 routinely enforce, but occasionally I'll see a
20 trainer after the race walking off the track with
21 the tongue tie still on, and we'll stop them and
22 tell them to take the tongue tie off.

23 MR. PETRAMALO: Right. Right.

24 DR. HARDEN: But tongue ties can be an abuse,
25 and we have to be aware of that. I'm off the soap

1 box now.

2 MR. BURNETT: It's a sister thought to hay,
3 oats, and water in training a horse. Hey, if you
4 can't get it on in the paddock, you can give them a
5 tranquilizer. Sorry, Frank.

6 MR. PETRAMALO: Not unless you want to get
7 suspended for 15 days and thrown off the racetrack.

8 MR. BURNETT: Just kidding. So the language
9 is the horse's trainer or designee?

10 Paragraph (1) of Section 11VAC10-140-60, this
11 is equipment changes and permission from the
12 stewards to do so. It expands blinkers to any
13 device that would restrict vision or could affect
14 performance towards equipment or discontinue use of
15 the same. I've suggested that the word its, which
16 appears four times in that new paragraph, just be
17 removed. I don't think we need to use its. We know
18 whose vision we're talking about.

19 MR. PETRAMALO: Well, my trainer put cheap
20 pieces on my horse last time, didn't help one bit.

21 MR. BROWN: You need a new horse.

22 MR. BURNETT: Or trainer or both.

23 MR. PETRAMALO: You really know how to hurt a
24 guy, don't you?

25 MR. BURNETT: All right. Any comment on that

1 one?

2 Chapter 180, these are medical procedure
3 changes. The first one is 11VAC10-180-35, which
4 prohibits intra-articular injections, that's tapping
5 joints with typically a corticosteroid within five
6 days prior to the horse's next race.

7 Prior to a horse's next race, should that not
8 similarly say prior to the horse's -- prior to any
9 race? The next race sounds like some wiggle room
10 for a lawyer.

11 MR. LERMOND: You can scratch next.

12 MR. HARRISON: You can delete it.

13 MR. BURNETT: Okay. I'm still uncomfortable.

14 MR. PETRAMALO: That's all right. Prior to a
15 horse's race.

16 MR. BURNETT: Should it be "the" as opposed to
17 "a"?

18 MR. BOUZEK: Yes.

19 MR. BURNETT: All right. So now five days
20 prior to the horse's race, I think that's clear to
21 everybody to what you can't do.

22 Any comment on that?

23 MR. BROWN: I guess I have a question. How do
24 you -- I see over here you can tell test-wise --

25 MR. BURNETT: You can't.

1 MR. BROWN: How are you going to police this?

2 MR. BURNETT: That's a whole different issue.
3 You've first got to start by saying you can't do it.
4 The only way you may be able to catch somebody is
5 somebody tattles. You may not be able to test for
6 it to find out. It's kind of like shockwave
7 therapy.

8 MR. PETRAMALO: What do you inject them with,
9 Doc? Polyuronic acid or something?

10 MS. RICHARDS: No, steroids.

11 DR. HARDEN: Well, polyuronic acid or
12 corticosteroids or any combination thereof. We can
13 detect from a laboratory several days after a joint
14 injection. Some of the language that was being
15 proposed on a national level was out as far as seven
16 days. You could not detect it that far out. Some
17 of the practicing veterinarians were clamoring for
18 three days, and so five days kind of fell in there
19 as a compromise between two warring forces, but its
20 main thing is instruction to the practicing
21 veterinarians. Whether it was something we can
22 always enforce or not, we don't know.

23 MR. BURNETT: The concern is that not only is
24 it not good for the horse, it may well be dangerous
25 because of the masking effect.

1 DR. HARDEN: That's a concern, yes.

2 MR. BURNETT: All right. Any comment further
3 on that item?

4 MR. BROWN: I guess we keep it there.

5 MR. BURNETT: Well, apparently there's some
6 testing that could be done. I mean, who knows.
7 When you get a corticosteroid, how are you going to
8 prove it was put in that joint or given some other
9 way? I think it's worth having the rule even if
10 it's only guidance to veterinarians.

11 Item K is peri-neural injection being
12 prohibited, that is essentially nerving a horse --
13 well, it's not a permanent nerving, is it?

14 DR. HARDEN: Well, it could be. I mean,
15 depending on the substance that's used, there are a
16 number of different substances. I hesitate to
17 mention them for fear of cookbooking, but some have
18 various durations as to how they anesthetize the
19 area.

20 MR. BURNETT: So this goes beyond the existing
21 rule regarding having to declare when a horse has
22 been nerved?

23 DR. HARDEN: Right. The nerve, that refers to
24 surgical --

25 MR. BURNETT: That's what I mean, permanence.

1 DR. HARDEN: This could be chemical nerving,
2 and it could be temporary. It could last two hours.
3 It could last weeks.

4 MR. BURNETT: But that was my question, can it
5 be permanent like a severance of the nerve?

6 DR. HARDEN: Generally, they're not --
7 chemical nerving is not permanent.

8 MR. BURNETT: Or not intended to be.

9 DR. HARDEN: Even surgical nerving is not
10 always permanent either.

11 MR. BURNETT: Okay.

12 DR. HARDEN: It depends on what's used. This
13 is where your cobra venom comes in and things like
14 this.

15 MR. BURNETT: Let's not be helping with that
16 cookbook, Doc.

17 Can we change the language there to three days
18 prior to the horse's race as we did previously? And
19 then the next one is hyperbaric oxygen chambers
20 being prohibited within four days of the horse's
21 next -- the horse's race. Any comment there?

22 MR. PETRAMALO: Where's the hyperbaric? Which
23 one is that?

24 MR. BURNETT: That's L. Right below K, the
25 peri-neural.

1 MR. BROWN: How is this policed?

2 MR. BURNETT: The same way shockwave therapy
3 is policed. You've got to catch them. That chamber
4 is a pretty good size. It's hard to sneak it into a
5 stall.

6 MR. BROWN: Nobody in this area has them, do
7 they?

8 MS. RICHARDS: Fair Hill.

9 MR. BROWN: Who does?

10 MS. RICHARDS: Fair Hill.

11 MR. BURNETT: Is that the closest one? I know
12 they have one.

13 MR. PETRAMALO: I'll find it. Our pages
14 are --

15 MR. BURNETT: It's page 6, Frank, at the top
16 of page 6.

17 MR. PETRAMALO: Yeah. I got it. I'm sorry.
18 We just had the pages out of order.

19 What's the theory about hyperbaric oxygen
20 therapy? What's it supposed to do?

21 DR. HARDEN: It seems to enhance healing of
22 either wounds or healing of injuries, and so the
23 thinking is that it can speed up a horse recovering
24 from an injury.

25 MR. BURNETT: I think it was originally -- in

1 humans was used where there was a compartment
2 syndrome, and the vascular syndrome was compromised
3 such that it couldn't bring oxygen and another
4 healing cells to the wound site. And so to get the
5 oxygen there and reduce necrosis, they put them a
6 hyperbaric chamber. Is it by osmosis that somehow
7 the oxygen gets there and doesn't rely on the
8 vascular system to carry the oxygen to the site?

9 MS. RICHARDS: What about the wounds? Is that
10 an issue? Is it healing, improving, or --

11 MR. BROWN: There's a good horse out right
12 now. He's getting ready to make a start in New
13 Zealand. He has major allergy problems and
14 supposedly it's cleared him up.

15 MR. BURNETT: Well, all we're saying is don't
16 do it four days before the race. We want you to
17 have a healthy horse, but we don't want you to get
18 too close to the race.

19 Paragraph (3)(f) 11VAC10-180-60 is on the
20 subject of anabolic steroids, and really a semantics
21 issue. The new language prohibits anabolic or
22 androgenic steroids or growth hormones other than
23 the four that we have acknowledged elsewhere,
24 boldenone, stanozolol, nandrolone, and testosterone,
25 and it doesn't change the meaning of the rule, but

1 avoids our suggesting that we're permitting any
2 steroids.

3 Then 11VAC10-180-60 paragraph (B)(6)(d), this
4 is the recommended reprimand for the presence of a
5 substance carrying a category B penalty is an
6 official letter of reprimand. We apparently didn't
7 have a penalty category D, and we're following
8 RMTTC's recommendation. Is that fair, Dave?

9 MR. LERMOND: Yes, sir.

10 MR. BURNETT: Paragraph (10) of 11VAC10-180-60
11 is a revisiting of the suspended trainer rule, and
12 the only suggestion I've made is that the language
13 also include any member of the trainer's staff or
14 the owner of the horse and that the language of not
15 benefit from transferred horses in a stable during
16 the suspension.

17 MR. PETRAMALO: How come this is repeated?

18 MR. LERMOND: It appears in both sections, and
19 we just wanted them to read the same.

20 MR. BURNETT: There might be some wisdom in
21 deleting one of the two someplace, but that wasn't
22 recommended.

23 DR. HARDEN: Historically, this was added into
24 the medication section several years ago by Stan,
25 who wanted to ensure that a trainer that was

1 suspended was truly suspended, and at the time we
2 were thinking that the other rules had to go through
3 the full legislative process to get changed.

4 Whereas, the medication rule was quick and easy. I
5 think that was the purpose this was inserted.

6 MR. BURNETT: But both rules have now made it
7 through that legislative process and waiting period
8 such that were we to delete one now, nothing would
9 be lost. I take it having it in two locations gains
10 us nothing at this point since the procedural hurdle
11 is behind us. Is that fair?

12 DR. HARDEN: No. I think the only thing it
13 gains is that we tend to promulgate the medication
14 rules among the trainers a lot more readily than the
15 full regulation book.

16 MR. BURNETT: Well, perhaps, we can leave it
17 for now and you can have a look at that, Dave, and
18 see if in our next rules committee meeting we want
19 to think about deleting it in one location.

20 MR. LERMOND: Some years where we have a lot
21 of changes to the medication chapter, we actually
22 have just the medication chapter printed in
23 booklets. So it would be good to have this.

24 MR. PETRAMALO: We ought to do that again, by
25 the way, because we changed the Bute rule last year

1 from five to two, but the book has still got five in
2 it.

3 MR. BURNETT: Yeah.

4 Paragraph (D) of Section 11VAC10-180-75. This
5 again is -- this is a way of dealing with designer
6 anabolic steroids such that two or more of the
7 prohibited substances found invokes a penalty. If I
8 understand this -- and help me, Dave, here. If
9 someone has a designer steroid, this catches that
10 for a penalty even though it's not one of the four,
11 nandrolone, boldenone, stanozolol, and testosterone,
12 right?

13 MR. PETRAMALO: Well, wait a minute. You'd
14 catch it upfront because if it's not one of those
15 four, it's not permitted at all. The only ones that
16 are permitted in trace amounts are the four. All
17 other steroids are revoked.

18 DR. HARDEN: This particular rule refers to
19 stacking --

20 MR. PETRAMALO: Right.

21 DR. HARDEN: -- where you're using two in
22 combination. The old rule as it was written says
23 you cannot stack the four named substances in
24 Subsection B.

25 MR. PETRAMALO: Right.

1 DR. HARDEN: Well, I contend you're breaking
2 the stacking rule if you give them a designer drug
3 and stanozolol. So that's why we changed that to
4 indicate that you're stacking.

5 MR. PETRAMALO: Yeah, but don't you agree that
6 even absent stacking, using a designer steroid is
7 absolutely prohibited, period?

8 DR. HARDEN: Yes. Yes.

9 MR. PETRAMALO: Why do we have to be worried
10 about stacking with a -- you're stacking a
11 permissible with an impermissible, and the serious
12 offense is using the designer impermissible.

13 MR. BURNETT: Frank, for some reason, I think
14 we were off track on the designer piece here the way
15 I read this language. I think the language just
16 stops the stacking of even the --

17 MR. PETRAMALO: Permissible, right. Right.

18 MR. BURNETT: Which Doc doesn't want to see
19 anyway.

20 MR. PETRAMALO: Right. That's correct.

21 MR. BURNETT: I think that's what it does. I
22 mischaracterized it based on the notes here what the
23 effect is. It really is to stop stacking, and
24 designers are prohibited anyway as you pointed out.
25 So as written, the new language under D, does that

1 create any problems for anybody?

2 11VAC10-180-90, this is taking blood samples
3 and makes it specific that samples take can be taken
4 both post and pre-race.

5 MR. PETRAMALO: Well, wait a minute. This is
6 different then. Didn't we used to have a rule that
7 you didn't have split samples for TCO testing?

8 MS. RICHARDS: Yes.

9 MR. BURNETT: We're going to split samples
10 here in a second. I don't know if this addressed
11 this. I think this is simply pre-race/post-race
12 rather than how many tubes. You're taking the
13 existing rule and saying you can do it before the
14 race if you want. That's the only change I see.

15 MR. PETRAMALO: Well, no. I think there is a
16 change. I'm not objecting to it, but I think the
17 old rule was you take one tube of blood. That was
18 tested for the TCO₂, and there was no split sample.
19 That was the old rule.

20 MR. BURNETT: I did not go look at the reg
21 book, but I'm taking Dave at his word that the
22 original language is as represented here. That's
23 not what it says. It's identical to the language in
24 the new stuff, right? Or am I misreading it?

25 The original language and new language are

1 identical as to two blood tubes shall be taken. The
2 only change is whether it's pre-race or post-race.
3 Am I missing something? Here we go. Why don't
4 we -- I don't want to deprive our new lifetime
5 member.

6 MR. PETRAMALO: It's a technical point
7 probably not worth discussing, but I don't think the
8 original language says two tubes of blood for TCO2.

9 MR. BURNETT: Okay. It's worth checking,
10 particularly if you can put your finger right on it.
11 Here it comes.

12 DR. HARDEN: Paragraph D refers to the split
13 sample, which is what --

14 MR. PETRAMALO: Okay. No, no. That's right.
15 It says a sample consisting of at least two tubes.
16 No, that's correct.

17 MR. BURNETT: It is correct?

18 MR. PETRAMALO: Yep.

19 MR. BURNETT: Okay. We're going to talk about
20 split samples.

21 MR. PETRAMALO: In the next sentence it says
22 split samples are permitted, but that's coming up in
23 the next one.

24 MR. BURNETT: Right. So then we're going to
25 11VAC10-180-100. This is, if I'm not mistaken,

1 permits the -- well, maybe I'm wrong here. This is
2 the notification of the stewards rule such that if
3 stewards want to see it, they can ask for it, but it
4 relieves the veterinarian of having to inform the
5 stewards who may well have gone home at the time he
6 makes a decision about who's going to be collecting
7 the sample in the stall. What it substitutes is the
8 keeping of a log so that the stewards know what was
9 done even though they may have gone home. Any
10 issues with that?

11 11VAC10-180-100 adds the commission
12 veterinarian or his designee to the escorting, et
13 cetera, of the horse and where he remains in terms
14 of releasing him and the like. It lets the
15 veterinarian have somebody else make those decisions
16 as long as that veterinarian designates that
17 individual for that purpose. I can see that the
18 word commission veterinarian arises in a lot of
19 locations. We're going to have to deal with that if
20 we're going to have any kind of combination with the
21 licensee. Thank you, Amy.

22 Any issue on the designee piece on the
23 escorting of horses?

24 11VAC10-180-110, essentially is an effort to
25 save the trees, is it not?

1 DR. HARDEN: Basically.

2 MR. BURNETT: So you're not -- you're limiting
3 the distribution and only requiring the distribution
4 in the event of positives. Is that a fair
5 description? Anybody want to kill more trees? Are
6 you okay with this one?

7 All right. 11VAC180-80-110. This is new
8 language under paragraph six and seven, paragraphs
9 (F)(6) and (F)(7), to notify the owner of the horse
10 when there is a positive.

11 So your trainer will call you, Frank, and let
12 you know he's in trouble.

13 MR. PETRAMALO: Right.

14 MR. BURNETT: Any issues with that?

15 Okay. Paragraph (K) of 11VAC10-180-110. This
16 is the shipment of split samples. What this does is
17 it's intended to prevent the owner or the trainer's
18 designee from simply buying time or delaying by not
19 making a decision on a split. It just simply
20 provides that at the expiration of 48 hours, the
21 owner or trainer relinquishes their right to request
22 a split sample. So you've got to do it within 48
23 hours or you give it up. One or the other. Any
24 issue with it?

25 All right. Those are all the changes.

1 MR. PETRAMALO: I take it then that the
2 prohibition on split samples for bicarbonate testing
3 is not being changed.

4 MR. BURNETT: It hasn't been changed here,
5 although I'm a little confused and maybe you can
6 help me.

7 MR. PETRAMALO: My understanding is that it
8 was -- split samples were prohibited because of the
9 degradation involved when you do TCO testing.

10 MR. BURNETT: Okay.

11 MR. PETRAMALO: I don't know whether that's
12 still the case or not because oftentimes -- I think
13 at Delaware Park, they have a machine right on --
14 right at the track where they can do this.

15 What is the situation, Doc, with regard
16 to that?

17 DR. HARDEN: The reason we have the rule in
18 place is because you can -- if you take the blood
19 sample and freeze it, then throw it back out, you
20 have degraded the CO2 in that sample. And so if you
21 have somebody that's just slightly over on the TCO2,
22 if you freeze it and retest it, they're going to
23 come slightly under it. So they felt like that the
24 split sample rule was just not a valid process.

25 Now, the reason it requires two tubes is that

1 each tube at the lab goes through three trials. So
2 there are six trials on each sample, three from each
3 tube. All six must be over 37 millimoles before the
4 lab will call it a positive. So we're building in a
5 huge fail safe factor in the primary testing and
6 eliminating the secondary testing.

7 MR. BURNETT: So, in essence, it's a split
8 with the exception of it not going to a separate lab
9 of the trainer or owner's choice?

10 DR. HARDEN: That's correct. It's essentially
11 a split sample done at the time.

12 MR. PETRAMALO: It's six different tests,
13 though. You're not testing both samples --

14 MR. BURNETT: Three each.

15 MR. PETRAMALO: -- with the same process?

16 DR. HARDEN: Yes. They will test each sample
17 three times, but they go through a recalibration
18 process with the machine between the testing.

19 MR. PETRAMALO: And what -- how does pre-race
20 testing fit into this scheme? What's the purpose of
21 pre-race testing in light of the 37 millimoles
22 standard?

23 DR. HARDEN: First off, pre-race testing is
24 required on all graded stake races, and it is
25 related to the physiology of the bicarbonate in a

1 horse's system that the -- if you administer
2 bicarbonate, which is prohibited, the horse's TC02
3 level rises, but when he exercises, he breaks out
4 into a sweat and he's breathing hard, the mere act
5 of panting, breathing hard lowers the TC02 in the
6 system, and then after the race it will build back
7 up again, probably -- ideally about three hours or
8 so post-race. Trainers and owners and everybody
9 just raise too much of a squawk to keep a horse in a
10 test barn for three hours to test for TC02. So
11 we've been doing it one hour. That's a marginal
12 time frame to detect the use of TC02. So pre-race
13 is considered a more valid indicator.

14 MR. PETRAMALO: Well, what concentration would
15 you be looking at pre-race? Would it be greater
16 than 37 millimoles?

17 DR. HARDEN: No, 37.

18 MR. PETRAMALO: Okay.

19 MR. BURNETT: So you're trying to establish a
20 baseline pre-race?

21 DR. HARDEN: No. Pre-race, we're establishing
22 the -- what is administered, what that horse's
23 condition is prior to the race. You do create a
24 conundrum, though, if that horse races and does not
25 go to the test barn afterwards and that pre-race

1 test is high, what do you do? The rules don't state
2 that he can't have 37 millimoles pre-race. He can't
3 race on 37 millimoles. So you really don't --
4 you're probably going to lose the Court battle.

5 So a lot of tracks go to pre-race testing
6 where they actually have on-site equipment to do
7 that. If the horse is high, they will retest it.
8 If it's a high on the second test, the horse is
9 scratched, and then there's no penalty other than
10 the horse being scratched. We don't have that
11 equipment here.

12 MR. BURNETT: That's for another day.

13 All right. We've been through all the
14 changes. Is there any member that wishes to make
15 any other changes other than the ones we have
16 proposed as we've gone through?

17 MR. PETRAMALO: The proposed as you've gone
18 through does not include changing 10 to 20 days?

19 MR. BURNETT: I haven't proposed it.

20 MR. PETRAMALO: You haven't.

21 MR. BURNETT: I haven't proposed it. I'll ask
22 specifically, does anybody want to change that
23 10-day rule?

24 All right. Hearing nothing, do we have a
25 motion on the -- all of the changes as discussed

1 today?

2 MR. BROWN: Yes. I'll make a motion that we
3 pass the recommendations of the Code Revision and
4 Rules Committee as discussed.

5 MR. BURNETT: Including amendments today?

6 MR. BROWN: Including amendments. I'm sorry.

7 MR. SIEGEL: Second.

8 MR. BURNETT: It's been moved and seconded.

9 All in favor indicate by saying aye.

10 Note: (Aye.)

11 MR. BURNETT: It carries unanimously.

12 I take it, Dave, that you'll now post these in
13 the *Register*, and they'll be effective prior to the
14 meet.

15 MR. LERMOND: Yes, sir.

16 MR. BURNETT: I thought Frank's suggestion
17 that we get the current medication rule published
18 and out there to trainers was a good one. It's been
19 very helpful in the past. This isn't a gotcha
20 arrangement. I think we would bear some
21 responsibility if we changed the rule, and then let
22 the publication stand that suggested otherwise. So
23 where we've made changes in particular, we want to
24 make sure we draw attention to it.

25 Will there be the standard go over the rules

1 meeting with trainers when they come?

2 MR. PETRAMALO: Doc always does that. He does
3 that with the vets anyway.

4 MR. LERMOND: The stewards will do that.

5 DR. HARDEN: I always confer with the vets and
6 sometimes the trainers try to -- I mean, the
7 stewards try to meet with the trainers, but
8 unfortunately, we miss all the ship-in trainers.

9 MR. BURNETT: Well, we've just got such a good
10 record here when it comes to medications that I
11 think it's worth protecting, and I think a lot of it
12 is a result of quality communication and reaching
13 out to all the participants so that they know what
14 the rules are.

15 MR. PETRAMALO: Just print them up and give us
16 a different color, and we'll see they get
17 distributed.

18 MR. BURNETT: A different color for sure.

19 MR. LERMOND: Right.

20 MR. BURNETT: All right. We don't have any
21 other committee reports today. We'll move on to the
22 executive secretary's report. Mr. Harrison?

23 MR. HARRISON: Thank you, Chairman Burnett.

24 The first item I wanted to discuss was the
25 recent Association of Racing Commissioners

1 International Annual Conference in Lexington,
2 Kentucky.

3 At this conference, there were two primary
4 topics. The first was the issue of -- surprise --
5 medication in racing horses. There's ever an
6 increasing gap between the widespread use of
7 medications in North America versus the zero
8 tolerance hay, oats, and water racing elsewhere. A
9 suggestion was made at the conference that RCI take
10 ownership of these issues. It's an ever-burdening
11 issue that's going to be raising its head
12 henceforth. An organization like RCI should address
13 it at each one of their meetings and really take
14 ownership of the issue.

15 You can tell by the discussion we were having
16 here today that drugs in racing horses and trainer
17 suspensions and all the time and energy and money
18 thrown at it is creating a real chasm between what
19 happens over in Europe and elsewhere with respect to
20 racing on hay, oats, and water. I just wanted to
21 bring that to everyone's attention here.

22 The other hot button topic was the broader
23 National Racing Compact or the NRC. Currently,
24 Virginia is a member of the NRC, in fact, a founding
25 member, but the legislation on our books now is

1 narrow and specific to a licensing compact. So we
2 would have to propose 2011 legislation to broaden
3 the compact that would allow Virginia to act
4 together with other states to jointly create rules
5 and programs. It's otherwise hard to create uniform
6 rules needed for the horsemen who compete in several
7 states, especially regionally.

8 Currently, it's hard to adopt more ethical
9 rules because you might lose business to other
10 states that are more lenient. This compact would
11 allow us to persuade other states to adopt more
12 ethical rules simultaneously with us, and one of the
13 key features is that even though we join that
14 compact, no rule or program can take effect here in
15 our state without the Commission's consent. So we
16 control how racing and wagering is regulated within
17 our own state.

18 The broader interstate compact is created by
19 the racing jurisdictions and it may also serve to
20 stem any action on a federal level to create a
21 mandated national office of racing. We, meaning the
22 industry, are creating a mechanism for state racing
23 commissions to act in unison.

24 So right now the National Racing Compact
25 exists for licensing, but the broader compact, it's

1 gaining momentum. It was newsworthy during the
2 conference and covered by all the major industry
3 publications, and right now as the executive
4 director of Delaware mentioned at the conference,
5 this broader compact really is what you want it to
6 be at this point. I think the point is to get
7 membership, create membership, and then establish
8 tougher rules, stronger rules, and a real
9 infrastructure to tackle the harder issues.

10 So that's all I wanted to say about the racing
11 compact. I don't know if anybody else has any
12 comments. Frank, do you have any --

13 MR. PETRAMALO: No.

14 MR. HARRISON: -- opinion?

15 MR. PETRAMALO: At the national HBPA level,
16 we've been working together with the RCI people and
17 other interested parties to try and draft a model
18 compact rule or compact legislation, which could be
19 taken back to each state and passed to set up the
20 organization, but not surprisingly every
21 jurisdiction is a little reluctant to yield any
22 measure of sovereignty.

23 MR. HARRISON: Right.

24 MR. PETRAMALO: It's an uphill battle.

25 MR. BURNETT: Where the rubber meets the road

1 on this, I mean, it's going to be hard enough just
2 to get the compact approved, but as you put in your
3 comments, no rule will be imposed upon us without
4 our own commission approving it, which, of course,
5 is exactly where the problem is. We've had numerous
6 states say they'd be more than happy to see a
7 compact as long as they don't have to change their
8 rules.

9 MR. PETRAMALO: It may be a little more
10 difficult than that. As I understand it, the racing
11 commission would select a delegate to the compact
12 commission and if that delegate voted against a
13 particular proposed uniform rule, it wouldn't apply
14 in Virginia. So you really got to control the
15 delegate because the delegate can do you in.

16 MR. BURNETT: Sure.

17 MR. PETRAMALO: So it technically is not
18 the racing commission.

19 MR. BURNETT: If we sent Mr. Brown as our
20 delegate and he votes against a Bute rule or
21 whatever it is, then Virginia doesn't have that Bute
22 rule --

23 MR. PETRAMALO: That's correct.

24 MR. BURNETT: -- and now we don't have
25 uniformity.

1 MR. PETRAMALO: But if he does, Virginia is
2 stuck with it even though three of the commissioners
3 might think it's a bad idea.

4 MR. HARRISON: That's not my understanding.

5 MR. BURNETT: We'll see how that plays out
6 when the legislation is finally passed, but the
7 concern is really that there's insufficient teeth in
8 this compact to force the uniformity that the
9 industry needs. My view is there ought to be a
10 little bit of federal legislation which would say,
11 here are the golden ten rules, medications, and some
12 basics that everybody needs everywhere, and required
13 membership in the compact and a required rule-making
14 situation as you described. If you don't want to be
15 a member, that's fine. You just can't simulcast.

16 I think if you did that, you'll find a little
17 racing compact congress that would impose
18 essentially a national rule by a majority vote, and
19 I think good things could happen. We'll see if we
20 get there.

21 MR. PETRAMALO: The opinion page of the *Wall*
22 *Street Journal* would say you're leading us on the
23 path to socialism.

24 MR. BURNETT: I know it. Frank, you brought
25 the health care reform cards, you know. Maybe we'll

1 get a compact card. Anyway, we'll see where it ends
2 up. I think there's such vehement opposition to
3 federal intervention of any sort and any tinkering
4 with the Interstate Horse Racing Act that we're
5 going to cripple along with this compact and maybe
6 in about ten years, we'll see if it works or not.
7 Sorry, Vic, do you have more for us?

8 MR. HARRISON: Yes, I do.

9 Another issue that is worth mentioning is
10 RMTTC's accreditation of racing laboratories. The
11 VRC utilizes the drug testing lab at the University
12 of Iowa State, and Iowa State is part of the group
13 of labs working with the RMTTC on drafting these
14 standards. Eventually, this RMTTC lab accreditation
15 may be rolled into the certification program
16 currently run by the NTRA with respect to safety,
17 welfare, and wagering. Those are the comments I
18 have from the ARCI annual meeting.

19 The next issue is the approval of the racing
20 officials. Tyler has submitted a roster for the
21 Commission's approval including the licensee
22 veterinarian. We recommend approval of Tyler's
23 list. There are three newbies on this list. That
24 would be Jillian Sofarelli, the patrol judge, Tracy
25 Campola, the patrol judge, and William Heffner, DVM,

1 licensee veterinarian.

2 With respect to the licensee veterinarian, it
3 is required by VRC regulation VAC10-50-40, the
4 licensee vet will be appointed by Colonial Downs
5 just as they appoint their general manager and
6 racing secretary, et cetera, and we will be
7 convening an early May meeting of the Code Revision
8 and Regulations Committee to have the group look at
9 this and a number of other issues and come up with a
10 suitable arrangement, and then draft an amended
11 proposal clearly spelling out the lines of
12 responsibility here with respect to vets. We
13 already have a draft ready, so we should have an
14 early May meeting that addresses this.

15 MR. PETRAMALO: Does this mean that
16 Dr. Heffner doesn't work as a private vet on the
17 backside anymore?

18 MR. PICKLESIMER: Correct.

19 MR. PETRAMALO: Is that right?

20 MR. HARRISON: Right.

21 I would ask that the Commission approve the
22 list of officials as submitted by Tyler.

23 MR. BURNETT: Do we have a motion to approve
24 that list?

25 MR. SIEGEL: I'll move it.

1 MR. BURNETT: The chair seconds. All in favor
2 indicate by saying aye.

3 Note: (Aye.)

4 MR. BURNETT: Officials list is approved as
5 submitted.

6 MR. HARRISON: The next item I have is the
7 request from Colonial Downs, director of
8 simulcast/mutuels, Jeff Wingrove. This is for the
9 2010 wagering format, and new this year is the Pick
10 Five that will be offered on Virginia Derby Day.
11 It's not jackpot wager and we do have a rule in
12 place, and it'll be comprised of five stakes races.
13 So it will be a very good betting opportunity.

14 And other than that, the pools are the
15 traditional that they've had in the past. I would
16 recommend that the motion be made and that the
17 Commission approve the wagering format.

18 MR. BURNETT: Do we have a motion on the
19 wagering format?

20 MR. BROWN: I'll make a motion.

21 MR. BURNETT: The chair seconds. All in favor
22 indicate by saying aye.

23 Note: (Aye.)

24 MR. BURNETT: Wagering format is approved.

25 MR. HARRISON: Jeff has also submitted an

1 enclosed list of about 150 guest sites that were
2 wagered on in the thoroughbred meet here. There are
3 new guest sites, which we are currently
4 scrutinizing, and those sites would be Charlson
5 Broadcast Technologies, Racing The World, and Sun
6 Ray, which is a racetrack in, I believe, Arizona,
7 and we are good with some -- we're still doing some
8 background investigating on Charlson Broadcast
9 Technologies and Racing The World. So I would ask
10 that the Commission approve the list as submitted by
11 Jeff with the exception of Charlson Broadcast
12 Technologies and Racing The World, and then perhaps
13 grant the executive secretary the authority after we
14 complete our investigation to approve those two.

15 MR. BURNETT: Do we have a motion to approve
16 the proposed sites with the exception of Racing the
17 World and Charlson Broadcast Technologies with the
18 understanding of a designation of the executive
19 secretary to make that approval upon successful
20 completion of his investigation?

21 MR. REYNOLDS: So move.

22 MR. BURNETT: The chair seconds. All in favor
23 indicate by saying aye.

24 Note: (Aye.)

25 MR. BURNETT: It's been moved and approved.

1 Thank you.

2 MR. HARRISON: Next, I have the stewards for
3 the 2010 Thoroughbred Meet. I would ask that you
4 approve the three that I have submitted here. We're
5 bringing back Jean Chalk and Phil Grove and adding
6 Adam Campola this year. All are former riders with
7 prior stewarding experience, and Dave, Dave Lermond
8 here, who acted as the third steward last year will
9 be the substitute. I would ask that the Commission
10 make a motion to approve the stewards.

11 MR. BURNETT: May I ask if these -- all these
12 individuals meet the racing official requirements?

13 MR. HARRISON: They do. They all do.

14 MR. BURNETT: I'm sorry. You may have said
15 that and I didn't hear you.

16 MR. HARRISON: All currently certified.

17 MR. BURNETT: And if I'm not mistaken, so is
18 Mr. Lermond at this point. He has his hours, et
19 cetera?

20 MR. LERMOND: That's correct.

21 MR. BURNETT: Great. So not only are our
22 principal three stewards, but also our alternate is
23 fully certified by our racing official requirements.

24 MR. HARRISON: That's correct.

25 MR. BURNETT: All right. Do we have a motion

1 to approve the proposed stewards for the 2010 meet?

2 MR. REYNOLDS: So move.

3 MR. BROWN: Second.

4 MR. BURNETT: It's been moved and seconded.

5 All in favor indicate by saying aye.

6 Note: (Aye.)

7 MR. BURNETT: The stewards are approved along
8 with the alternate.

9 MR. HARRISON: Next I have the final order for
10 2010 race days. This is the final order for the
11 thoroughbred race days. The standardbreds had to be
12 stripped out of the order because while the track
13 and the horsemen agree on the 28 days, they do not
14 agree with respect to the starting date and ending
15 date or the days of the week. So really it's just
16 for your information that this final order is in
17 here, but I needed to make the point about the
18 standardbreds being stricken from the final order.

19 MR. BURNETT: Does Colonial Downs or the
20 horsemen have any comment? Do either of them have
21 any comment on the final order? It appears to be
22 the usual final order.

23 MR. WEINBERG: No.

24 MR. BURNETT: Thank you.

25 Next item?

1 MR. HARRISON: The next item is the office
2 space and the lease that the Commonwealth has with
3 Colonial Downs. VRC regulation VAC10-20-190 B.18
4 states that the licensee must furnish office space
5 approved by the Commission, and they have done so.
6 The VRC itself is at arm's length and removed from
7 the negotiating process. The agency's lease is
8 negotiated by the Commonwealth Division of Real
9 Estate Services, and the VRC is currently waiting to
10 hear back from them. It's just a status update, but
11 we've been residing in that space there and paying
12 rent for about -- I think a little over a year and a
13 half now without a current lease. It's gone on too
14 long. It's probably more my fault than anyone. I
15 probably should have lit a better fire under the
16 Division of Real Estate Services, but nonetheless, I
17 just wanted to give an update. It's in the process.
18 I think the parties are discussing it.

19 MR. BURNETT: Thank you.

20 Next item?

21 MR. HARRISON: The next item is the Magna
22 reorganization plan with respect to XpressBet and
23 AmTote.

24 At last month's meeting, Greg Scoggins from
25 XpressBet made a presentation to the Commission on

1 MI Developments taking ownership of XpressBet and
2 XpressBet becoming a LLC and adding -- the addition
3 of two new officers. Our background investigations
4 are currently being conducted on the two new
5 individuals. Since this -- we are not requiring a
6 new application, this does not rise to the level of
7 an informal fact-finding conference so the
8 Commission need not take action.

9 I will say is that the licensee, XpressBet,
10 remains in compliance with the requirements of
11 VAC10-45-20, which is the authorization to conduct
12 account wagering, and the Code of Virginia.

13 MR. BURNETT: Do I understand that the only
14 outstanding items is the completion of these
15 investigations?

16 MR. HARRISON: That's correct.

17 MR. BURNETT: Thank you.

18 Any questions of Mr. Harrison on any of his
19 report?

20 MR. BROWN: Does Mr. Scoggins have an update
21 for us on any of that?

22 MR. BURNETT: Mr. Scoggins, do you care to
23 comment on anything so far on today's agenda?

24 MR. SCOGGINS: I can give an update as it
25 relates to the MID/MEC bankruptcy plan hearing if

1 that's what you're interested in.

2 MR. BURNETT: I'm sure it would be of
3 interest, although there's no need for us to take
4 any action today.

5 MR. SCOGGINS: Right. I can either deal with
6 it in the public comment phase or what have you.

7 MR. BURNETT: Well, you're standing and
8 speaking to us, if you're prepared, why don't you go
9 ahead and tell us.

10 MR. SCOGGINS: Very good. Greg Scoggins on
11 behalf of XpressBet and AmTote.

12 Yesterday at a hearing in Delaware, Judge Mary
13 Walrath approved the order of reorganization, the
14 plan of reorganization that had been submitted by
15 MID, MEC, and the unsecured creditors committee, and
16 with that, it opens the door or the path for MI
17 Developments to acquire the various assets that it
18 had agreed to acquire under the settlement. And for
19 the sake of clarity, those assets include Santa
20 Anita Park, Golden Gate Fields, which is outside Los
21 Angeles -- or San Francisco, excuse me, Gulfstream
22 Park down in the Fort Lauderdale area, the Maryland
23 Jockey Club entities, AmTote International,
24 XpressBet, and then the 50 percent interest that MEC
25 holds in horse racing TV and TrackNet Media Group.

1 It will also acquire the ground underlying Santa
2 Anita, Golden Gate Fields, and Gulfstream Park.

3 MR. BURNETT: Any questions of Mr. Scoggins?
4 Thank you for joining us today.

5 MR. SCOGGINS: My pleasure. Thank you.

6 MR. BURNETT: All right. We'll move on to
7 stakeholders. We have before us the approval of
8 request for Benevolence Fund Budget for the VHBPA
9 and the VHHA.

10 I guess my first question would be to ask
11 whether or not an agreement has been reached on that
12 division at this point? Am I on the wrong subject?

13 MR. PETRAMALO: No. No. The thoroughbred
14 horsemen have submitted a budget of \$108,000.

15 MR. BURNETT: All right.

16 MR. PETRAMALO: Because we hadn't worked out
17 various details with the harness horsemen by the
18 time it was necessary to submit a budget for
19 consideration at this commission meeting, I went
20 forward and just submitted our portion of the
21 budget.

22 I'm anticipating conservatively that the total
23 breakage would be -- this year would be about
24 \$135,000, which is less than last year for two
25 reasons. One, the wagering is dropping off at the

1 OTBs; and secondly, there seems to be a migration
2 from wagering at the OTBs to wagering on-line. When
3 the latter occurs, we do not get any of the breakage
4 from on-line wagering.

5 So I think \$135,000 is a reasonable estimate.
6 What I did was take 80 percent of that, which is the
7 usual breakdown between harness and thoroughbred in
8 terms of wagering handle and come up with \$108,000.

9 By comparing it with last year's budget, last
10 year the thoroughbred portion was 153,000 out of a
11 total 168. Of our budgeted 153,000, we spent
12 \$153,859. We were over budget by about \$859, which
13 is not too bad. This year we chopped \$55,000 from
14 our budget. We reduced our share of the jockey
15 disability insurance from 50,000 to 25,000. We
16 don't have 25,000 in landscaping this year, so
17 that's limited, and we dropped our scholarship fund
18 from 15,000 down to 10,000.

19 Except for those changes, the budget that you
20 see in front of you is very close to last year,
21 except this year we have added a groom elite
22 program. Last year we didn't run the formal
23 program. This year we will be running it.

24 MR. BURNETT: Well, let me first ask if
25 there's any comment on the expenditure of

1 benevolence funds, generally.

2 Iain?

3 MR. WOOLNOUGH: On behalf of the VHHA,
4 Dr. Dunavant, you know, couldn't be here
5 unfortunately today. He's asked me to speak on
6 that.

7 Frank alludes to the 80/20. We don't feel
8 that it applies in this instance here. The funds
9 come from the breakage, which was originally under
10 the statute going to Colonial Downs. The Commission
11 decided a number of years ago to take 30 percent out
12 of that money and go to the backstretch benevolence
13 for the benefit and welfare of the employees on the
14 backside. It didn't say going to either breed.

15 So rather than 80/20, it's more about how long
16 is it open. The thoroughbreds have eight weeks; the
17 standardbreds of seven weeks. For those people back
18 there, it's a more equitable split on this thing.

19 We also understand that the thoroughbreds have
20 far more people back there than we do. So we're not
21 necessarily it should be that 53/47, which comes out
22 on the eight to seven weeks. It should be a more
23 equitable division on that because the standardbred
24 industry, they have the same rights as everybody
25 else. The same people back there, the same needs.

1 When we look back and we question last year on
2 some of the things that were originally put in
3 there, one was the turf track fertilization, which
4 the Commission took out, another one was the
5 training on the starting gate or the ambulance, the
6 Commission took that out. There was a large amount
7 in there for the jockey's insurance. We were too
8 close to that meet to really make a big fight over
9 that and we let it go, but I believe at that point
10 in time they said it would not be included in the
11 following budgets and it shows up again.

12 We're looking just for a fair -- and we're not
13 looking to make a division between the standardbreds
14 and thoroughbreds. We've worked very, very hard to
15 make them one unit, horsemen, back in there
16 together. We don't want that division or anything
17 of that nature, but we need to have more funds
18 available. We're not the federal government. We
19 don't go out and spend money when we can't afford
20 it. We need to know what we've got to spend.

21 This year everything has gone down. We know
22 that. Everything is tightened up, but we have needs
23 also. That's what we want. We basically tried to
24 discuss it with Frank, and he's holding his hat on
25 the 80/20, which we feel does not apply here.

1 MR. BURNETT: Any other comments at this
2 point? Vic?

3 MR. HARRISON: Yes, Chairman.

4 The ARCI has a survey site, so I was able to
5 go on there and post some questions of the other
6 racing jurisdictions. And of the seven that
7 replied, five have no such benevolence fund. Ohio
8 has a fund, but it's not required and the Commission
9 does decide how the fine money is allocated, and
10 Illinois is the exception here. They have a
11 racetrack charitable fund. They require \$750,000
12 from the racetracks to fund that -- combined from
13 the racetracks annually, and then they get a
14 non-profit organization that provides medical,
15 dental, and counseling to backstretch workers and
16 that is allocated in proportion to the contribution,
17 but there they have racetracks that are thoroughbred
18 racetracks and racetracks that are harness. In the
19 past, they did have tracks like Colonial where they
20 had a mixed meet. Now, they're strictly one or the
21 other.

22 MR. BURNETT: Well, the really good news I
23 think from a starting point on all this is that the
24 horsemen have acted like horsemen and jointly share
25 this building and lots of other features on the

1 backside that all have worked together to make for a
2 high-quality backside here in Virginia.

3 It seems to me that it might be worth
4 evaluating where this money is going in terms of --
5 in some cases, I look down here and see air
6 conditioners. I guess in the fall, they may not
7 need them, but mattresses might be a better example
8 where both breeds' people use mattresses and there
9 may be other things that are jointly used, certainly
10 landscaping and some of the other things, the
11 gutters on the barns and the things that have been
12 done in years past.

13 I wonder if we couldn't figure out a way to
14 break down that which is jointly beneficial, that
15 which each meet requires looking into their historic
16 way of doing things. The more family oriented and
17 more living in the dorms of owners and trainers in
18 the standardbred meet is a little different than
19 jocs and exercise riders in the dormitories during
20 the thoroughbred meet, but I don't know that having
21 a formula that divides it necessarily works to
22 either breeds' best interest or the industry's best
23 interest on the backside going forward.

24 Certainly, the thoroughbred folks have got a
25 meet coming right at them, and they need some

1 guidance from us as to what we can approve. Is
2 there a way we can take care of the thoroughbred
3 backside's needs and at the same time preserve
4 adequate funds for the harness horsemen and
5 discussion of future items? I'm trying to maintain
6 the status quo without hurting somebody.

7 MR. PETRAMALO: Well, you know, when all is
8 said and done, there really isn't much difference
9 between the 135,000 that I estimate will be
10 available and the total the two groups are seeking,
11 which is 155,000. We're \$20,000 apart.

12 Now, if you look at air conditioners and
13 mattresses, we budget 2,000; the harness horsemen
14 budget a total of 4,000. I can tell you that there
15 is no way that we will spend \$6,000 between the two
16 of us on mattresses and air conditioners during
17 calendar 2010. I don't think that will happen based
18 on past experience. I buy these air conditioners.
19 We probably go through 10 or 15 during our meet.
20 They run them 24 hours a day. I go to Lowe's and
21 buy them for 97 bucks a piece.

22 Mattresses last a little longer, but usually
23 we wind up buying 10 or 15 for a hundred bucks a
24 piece. So I think \$6,000 gives us plenty of cushion
25 for mattresses and air conditioners. I don't think

1 we'll use that.

2 Looking down at the harness horse
3 association's recreational equipment, they've got
4 \$3,000 there. In our storage locker that's open to
5 the harness guys, we have baseballs, baseball bats,
6 gloves, horseshoes, soccer goals, soccer balls,
7 volleyballs, volleyball nets. We've got everything
8 under the sun. Whether it needs another \$3,000 to
9 be spent on recreational equipment, I'm not sure.
10 Again, its gives us cushion.

11 Then the harness horsemen have \$4,000 for
12 washers and dryers, and I'm not sure exactly what
13 they're talking about, but the washers and dryers on
14 the backside at the bath houses are the property of
15 a vendor. They're coin operated. The vendor comes
16 in and takes care of those things.

17 MR. WOOLNOUGH: That was part of the issue,
18 Frank. The ones in there -- I'm not talking about
19 the ones in the stable area. That's a vendor. I
20 don't worry about those, but the ones at the
21 bathhouses are a dollar fifty a load. That's coming
22 right out of the people's pocket that cannot afford
23 that stuff. It's expensive for them.

24 MR. PETRAMALO: I'm not sure what you're
25 proposing.

1 MR. WOOLNOUGH: That we turn around and own
2 them.

3 MR. PETRAMALO: Oh, you want to buy them --

4 MR. WOOLNOUGH: Yes.

5 MR. PETRAMALO: -- and maintain them?

6 MR. WOOLNOUGH: Just for those areas. Not for
7 the stable area.

8 MR. PETRAMALO: No, no. I understand that.

9 MR. WOOLNOUGH: Just for that. It's saving a
10 dollar fifty a load. It's a lot of money for the
11 people that can least afford it.

12 MR. BURNETT: And you would let the
13 thoroughbred people use them, right?

14 MR. WOOLNOUGH: Of course. There's nothing --
15 everything back there -- again, Frank has done a
16 wonderful job.

17 MR. PETRAMALO: Who's going to maintain them?

18 MR. BURNETT: I don't know about that part.
19 It's an interesting idea, though.

20 MR. PETRAMALO: No, I agree. It's an
21 interesting idea, but boy, I tell you, I wouldn't
22 want to have the responsibility of maintaining those
23 things, not that the people on the backside are --

24 MR. BURNETT: Hard on things.

25 MR. PETRAMALO: -- hard on things.

1 MR. WOOLNOUGH: They are, but you know, they
2 also take care of things if they're given the right
3 thing and with the amount of money you would save on
4 that, you could have a little maintenance contract
5 and have that done.

6 MR. PETRAMALO: I think it's a good idea.

7 MR. BURNETT: Well, there's an example of kind
8 of a joint project.

9 MR. WOOLNOUGH: We've always worked well
10 together.

11 MR. BURNETT: Obviously.

12 MR. WOOLNOUGH: Frank has done a great job on
13 his programs here. We'd like to extend some of
14 the -- right now we pay certain things out of VHHA's
15 pocket. We have driver's insurance out here. You
16 go and mess your race bike up, we pay for it. That
17 comes out of the VHHA. We don't go to the
18 benevolence funds and say, well, you have to pay for
19 this kind of race bike that got broken. Bikes are
20 very expensive. We've gone up to \$1,500 a bike.

21 MR. BURNETT: You guys are \$20,000 apart I'm
22 told. Are we mediating this as we speak, or are we
23 trying to find -- are we going to find a process by
24 which you guys get together someplace and then tell
25 us what the result is? What's your pleasure?

1 MR. WOOLNOUGH: Frank and I always talk well
2 together.

3 MR. SIEGEL: It has to be settled this month?

4 MR. BURNETT: Does this have to be settled
5 today at this meeting or can it be settled at the
6 next meeting? Tight, I realize. My guess is you're
7 looking at 80 or 90 percent of what you're
8 requesting for sure anyway.

9 MR. SIEGEL: Yeah, it's not much.

10 MR. PETRAMALO: Yeah. We could probably hold
11 off. I mean, you're right. I assume you're going
12 to approve our training program, which we've got to
13 get in the pipeline.

14 MR. BURNETT: I don't see anything here that
15 jumps at me as a problem. I've always had some --
16 that \$25,000 jockey insurance, just like 50 is a big
17 number, but I recognize that those guys do dangerous
18 work.

19 MR. PETRAMALO: Let's take Commissioner
20 Siegel's suggestion and between now and May --

21 MR. BURNETT: Twenty-fifth.

22 MR. PETRAMALO: -- 25th, Iain and I will
23 probably be able to work out something.

24 MR. SIEGEL: Good.

25 MR. BURNETT: I don't -- I can't speak for the

1 other commissioners, but all these programs have
2 been with us for a long time. We've always
3 supported them, and I don't know why we wouldn't in
4 the future. It's just a matter of fine tuning it.

5 MR. PETRAMALO: Now, will I be able to use the
6 washing machine if you buy them?

7 MR. WOOLNOUGH: We put the meters back on.

8 MR. PETRAMALO: That's what I was afraid of.

9 MR. BURNETT: Lawyers pay.

10 MR. WOOLNOUGH: We have the remedy for that,
11 Frank.

12 MR. BURNETT: They've got a swipe card for
13 you, Frank.

14 MR. SIEGEL: Use this card, Frank.

15 MR. PETRAMALO: There you go.

16 The next item is the VTA management contract.
17 Mr. Harrison? I see that Mr. Petty is with us.

18 MR. PETTY: Yes, sir.

19 MR. BURNETT: It's always nice to see him.

20 MR. PETTY: It's always nice to be seen.

21 MR. BURNETT: You're kind of hiding back
22 there, Glenn.

23 MR. PETTY: I promised my wife and my children
24 and my attorneys I wouldn't speak if there was a TV
25 camera here.

1 MR. BURNETT: They've got it turned off.

2 MR. PETTY: The contract is status quo. It's
3 the same contract, same people, same jobs, same
4 costs. We are actually doing a little more work.
5 We're sending out the checks for this year. They're
6 going out today, all but one. It's the same as it's
7 been for however long I've been doing it.

8 MR. BURNETT: While we've got you, do you have
9 your numbers in on the stallion auction?

10 MR. PETTY: We do. We significantly reduced
11 the budget for it because of last year's experience,
12 and we ended up, I think, budgeting 35 and doing 42.
13 So what we --

14 MR. BURNETT: Did a little bit better.

15 MR. PETTY: What we've done to really
16 stabilize the situation is we've decreased our
17 overall operating budget by 25 percent. Salaries,
18 smaller office, made Frank pay more rent, stuff like
19 that. So we've discovered equilibrium.

20 (Phone rings)

21 MR. SIEGEL: That's your wife.

22 MR. BURNETT: She caught you.

23 MR. PETTY: She's got some kind of alarm on
24 me. Sensor, TV camera sensor.

25 MR. BURNETT: I understand the contract is

1 \$191,000 as it was last year?

2 MR. PETTY: 190.

3 MR. BURNETT: 190. Okay. I'm sorry.

4 Any questions from other commissioners of
5 Glenn while we have him here?

6 Do we have a motion to approve the VTA
7 management contract?

8 MR. BROWN: So move.

9 MR. SIEGEL: Second.

10 MR. BURNETT: It's been moved and seconded
11 that we approve the proposed management contract.
12 All indicate by saying aye.

13 Note: (Aye.)

14 MR. BURNETT: Motion carries unanimously.

15 MR. PETTY: While I'm standing here,
16 Mr. Chairman --

17 MR. BURNETT: Please.

18 MR. PETTY: -- we're sending out 90 some
19 year-end breeders and stallion awards today. We do
20 have one that the Commission received a tax levy on
21 from the IRS, and unfortunately, it's not so simple.
22 The person has multiple entities and multiple
23 horses. So what we're in the process of doing --
24 Vic, you'll probably get this tomorrow, is just
25 getting all the registration, W-9s, and all the

1 information available. I'd like your attorney to
2 look at it. The IRS is looking at it before we
3 decide exactly what to do, but I just wanted the
4 Commission just to be aware of it. We've got one
5 that we're juggling a little bit because of that
6 little twist.

7 MR. BURNETT: All right. Thank you.

8 MR. PETTY: Thank you.

9 MR. BURNETT: All right. Let's see. The next
10 item on the agenda is public participation, and I
11 would just advise members of the public that are
12 here today that they certainly are welcome to
13 comment on anything, but there will be an
14 opportunity to comment in the informal fact-finding
15 conference on the application for the new SWF in
16 Richmond. It need not occur in this particular
17 meeting, but it can.

18 Does any member of the public wish to address
19 the commission?

20 Seeing none, we'll move to the next meeting.
21 Any problem with May 25th?

22 All right. I don't know of any reason why to
23 have a closed meeting. I don't see anything.

24 All right. Then we stand adjourned as to our
25 regular meeting and would my fellow commissioners

1 agree that eleven-fifteen is approximately
2 eleven-thirty, which is how our informal
3 fact-finding was advertised? It was advertised as
4 immediately following the adjournment of our regular
5 meeting at approximately eleven-thirty. Any reason
6 why we can't start on the informal fact-finding?
7 We'll do that.

8 MR. BROWN: Take a break.

9 MR. BURNETT: Why don't we take a five-minute
10 break because who knows might arrive.

11 Note: A short recess was taken, following
12 which the meeting resumes as follows:

13 MR. BURNETT: We'll commence our informal
14 fact-finding conference.

15 Let me first go over the procedures here.
16 We'll not hesitant to deviate from them in the
17 interest of fairness if that's required, but these
18 are the typical rules that we've used over the years
19 for informal fact-finding conferences.

20 The agenda will be as follows: The applicant
21 including witnesses will be allowed one hour for
22 initial oral presentation. I'm told that this
23 particular application won't require that much time.
24 Any time not utilized in the initial oral
25 presentation may be reserved at the discretion of

1 the applicant or in addition to the standard 20
2 minutes for summation or rebuttal at the conclusion
3 of the conference.

4 Commissioners will be allowed one hour to
5 question the applicants and witnesses. I doubt that
6 one hour will be fully used. There will be 20
7 minutes for oral comments from the public. There
8 will be 20 minutes for a standard period of
9 summation or rebuttal by the applicant. Other than
10 with respect to additional information requested by
11 the Commission of the applicant, the record shall
12 close upon the conclusion of the conference.

13 Upon conclusion of the applicant's submission
14 in rebuttal, the Commission may issue its decision
15 regarding the application, request additional
16 information from the applicant, or take the matter
17 under advisement. We'll make that determination at
18 the conclusion of the hearing.

19 So unless there are any preliminary matters,
20 Mr. Weinberg, on behalf of the applicant, would you
21 go ahead, please?

22 MR. WEINBERG: I'm Jim Weinberg appearing on
23 behalf of Colonial Downs. Ian Stewart sends his
24 regrets. I spoke with him briefly this morning. He
25 sounded very contagious so I think we're all better

1 off, but unfortunately he is not with us.

2 What I would like to do is review Colonial
3 Downs' satisfaction of the requirements to be
4 eligible for this license, highlight very briefly
5 how this proposed satellite wagering facility
6 differs from the existing facilities, respond to any
7 questions that the Commission has or others, and
8 acknowledge acceptance of the conditions in the
9 staff report.

10 Let me just touch briefly on the satisfaction
11 of the legal requirements. As the Commission may
12 well know, Henrico County has passed a referendum
13 authorizing the locating of a satellite wagering
14 facility and such a facility has been operating in
15 Henrico since 1998. The Richmond Broad Street
16 facility as it's commonly referred to actually sits
17 partially in Henrico as well. Colonial Downs and
18 Stansley Racing Corp as the holders of unlimited
19 racetrack licenses are eligible for the award of
20 satellite facility licenses, and those licenses
21 remain in good standing.

22 In addition, Colonial Downs and Stansley
23 Racing have satisfied all the prerequisites that are
24 outlined in Sections 378 and 382 of the Virginia
25 Racing Act through its operation of the racetrack

1 and its operation over the last 13 years.

2 In addition, as required by the Racing Act,
3 there are agreements in place with the recognized
4 horsemen group regarding the sharing of handle, a
5 retainage from the operation of this satellite
6 facility. The harness agreement as well as the
7 thoroughbred agreement have been previously approved
8 by this Commission and an amendment dealing with the
9 operations of Finn McCools is reflected in the
10 application as well with respect to the thoroughbred
11 horsemen.

12 Colonial Downs and Stansley Racing will
13 observe all of the Commission's regulations with
14 respect to the operation of this facility. All
15 contracts involving the operation of the facility
16 have been or will be submitted to the Commission,
17 and additionally, all racing officials at the
18 satellite facility will seek permits for those
19 positions as required by the regulations.

20 For all these reasons, we believe Colonial
21 Downs and Stansley Racing Corp have satisfied the
22 requirements of the Racing Act and the Commission's
23 regulations.

24 Just to describe briefly the operations of the
25 satellite facility at Finn McCools, you have

1 received an application and a very thorough and
2 complete staff report. So rather than review that
3 staff report again, what I would like to do is
4 highlight the uniqueness of the operation at Finn
5 McCools as compared to the existing eight satellite
6 facilities.

7 The operation at Finn McCools will differ in
8 respect that this will complement an existing
9 business. Finn McCools Bar & Restaurant will
10 provide all the food and beverage, which differs
11 from Colonial Downs' current operation.

12 Second, Colonial Downs will carry only a
13 limited number of simulcast signals primarily due to
14 a much smaller space limitation at our traditional
15 facilities and the cost of the decoder. However, a
16 wide variety of racing will still be eligible for
17 wagering. It just will not be able to be displayed,
18 and also our EZ Horseplay computer terminals and
19 touch screen support will be located at Finn McCools
20 as well.

21 Additionally, Colonial Downs will employ
22 walkaround tellers to service Finn McCools patrons
23 in other parts of the building and in the patio
24 area. Programs will be sold through the kiosks and
25 through tellers, who will be able to access daily

1 racing forums as well.

2 Finally, and perhaps most important, Finn
3 McCools represents an effort to bring horse racing
4 to a new clientele. As you may be aware, Finn
5 McCools is located at the entrance to Innsbrook, an
6 800-acre office park at which approximately 22,000
7 people work every day.

8 We believe we can introduce wagering on horse
9 racing to a younger demographic than our typical
10 satellite facility, that works at Innsbrook and
11 relaxes at Finn McCools and other bars and
12 restaurants in the shopping center.

13 We would like to acknowledge Finn McCools is
14 an experiment. It is different from what Colonial
15 Downs has done in the past. We're looking to build
16 a successful economic model at smaller locations
17 that rely heavily on technology. We believe that if
18 Finn McCools is successful, it could be the basis
19 for a wider distribution of satellite facilities in
20 the Commonwealth.

21 As an experiment, we would ask the
22 Commission's flexibility in how we go about setting
23 certain parameters of its operation. For example,
24 we have typically discussed setting hours of
25 operation and providing the Commission a fairly

1 fixed schedule of those hours of operation on a
2 monthly basis. As we begin with Finn McCools, we'd
3 like some flexibility in setting those hours of
4 operation dependent upon the demand that we see for
5 the services.

6 We would like and plan to be open this weekend
7 for the Kentucky Derby. If that proves to be a
8 success and there are additional patrons that come
9 back on Sunday, we'd like to stay open for Monday
10 and possibly Tuesday. In conversations with the
11 executive director, I feel we've worked out a
12 workable solution where Colonial Downs will apprise
13 the executive secretary as to the opening hours on a
14 rolling basis, and that we would like that latitude
15 for the first couple months of operation as we begin
16 to see patron pattern and can determine what days
17 are best, what hours of operation are best, and work
18 with the Commission in that way to keep it apprised.

19 I would like to note Colonial Downs is
20 prepared to accept the two conditions outlined in
21 the staff report, and those are regarding operation
22 and compliance with the application and all the
23 laws, rules, and regulations applicable to satellite
24 wagering facilities generally.

25 I'm happy to pause here for any commissioner

1 questions regarding the application or the staff
2 report.

3 MR. BURNETT: Any questions, gentlemen?

4 MR. BROWN: I'm good right now.

5 MR. BURNETT: I do have one question with
6 respect to hours of operation. I take it that
7 really the only time that you can function is when
8 there is live simulcasting available. What is the
9 latest hour that that's available typically based on
10 your experience in the other SWFs? Is the cutoff at
11 ten or eleven at night or --

12 MR. BOUZEK: Twelve-thirty.

13 MR. BURNETT: Twelve-thirty is as late as it
14 goes?

15 MR. BOUZEK: Quarter to one.

16 MR. BURNETT: What's that? West Coast signal?

17 MR. BOUZEK: Well, if Hollywood runs on Friday
18 night, it's even later than that, but you know,
19 Mountaineer, if we take the harness tracks, Del Mar,
20 they run typically 14 cards on Friday and Saturday
21 night.

22 MR. BURNETT: So what I'm getting to is the
23 operation of this facility will not keep Finn
24 McCools open beyond its normal hours as they exist
25 today?

1 MR. BOUZEK: No.

2 MR. WEINBERG: And to augment that, in
3 discussions with the county officials, that was made
4 clear, that we would not extend Finn McCools hours
5 of operation.

6 MR. BURNETT: In your application, you've
7 indicated that you'll be providing as you do in all
8 locations some level of security. Are those folks
9 there in the late evening hours, which it seems to
10 me would be the most critical during this
11 experiment?

12 MR. KELLEHER: Innsbrook itself has security
13 that works all evening until eleven or eleven-thirty
14 at night, and they patrol the whole facility. We'll
15 have access to their phone, as well as our clerks,
16 our tellers will have access to a remote button if
17 they feel that there's a problem in the facility,
18 they would be able to contact Henrico County police
19 who would respond based on that.

20 MR. BURNETT: I take it that the Colonial
21 Downs employees who are working in the facility will
22 be working in concert with the existing Finn McCool
23 employees who have familiarity with the existing
24 patrons and the like, and there may be some new
25 people.

1 My concern is particularly in the early going
2 that the tone be set and that we not have any
3 untoward incidents at all. I mean, we've had such a
4 terrific track record at every other SWF and, as you
5 know, when we made application or you've made
6 applications in other jurisdictions and the hearings
7 have been held there, deputy sheriffs have come from
8 all over the state to talk about what good corporate
9 citizens and partners that Colonial Downs people
10 have been. So we'd like to see that continue, and I
11 just am curious to know what you're doing to be
12 certain of that. Thank you.

13 To be clear on your hours, we spent a little
14 bit of time in the last -- hours of operation, in
15 the last couple of meetings working on this chart
16 that would keep us apprised of hours of operation
17 and changes being made. Would you have any
18 objection to our designating Mr. Harrison to approve
19 day-to-day changes from now until our next meeting,
20 and then we re-visit that issue and you give us an
21 update on what your experience has been, perhaps
22 continue that for another month thereafter?

23 MR. WEINBERG: I think that's what we
24 anticipated doing. I'm sorry. I didn't describe it
25 well.

1 MR. BURNETT: No. I'm repeating what I heard.
2 You said you have no issue with the conditions
3 that have been recommended in the staff report?

4 MR. WEINBERG: Correct.

5 MR. BROWN: Mr. Chairman?

6 MR. BURNETT: Yes, sir. Mr. Brown?

7 MR. BROWN: Mr. Weinberg, as far as when you
8 get your program setup and the information, do you
9 have anybody that's going to be available, like
10 Jeanna or somebody that's going to be able to
11 explain to people, I mean, educate?

12 MR. BOUZEK: We'll have it staffed. We have
13 both -- right now the people that are going to be
14 running it are currently employed with us.

15 MR. BROWN: That have been with you.

16 MR. BOUZEK: Right. Tom Cade, Trackman Tom,
17 he's going to be running it. We're going to have
18 the best kiosk, so we'll have the ability to get
19 either a program or a daily racing form there. He
20 can explain both of those.

21 MR. BROWN: I just hate to see people going in
22 blind, so to speak.

23 MR. BOUZEK: Oh, no, no. We'll have it
24 staffed properly.

25 MR. WEINBERG: I think it is a great

1 opportunity to educate people on horse racing and
2 also the live racing that will be occurring here
3 during the summer.

4 MR. BROWN: Absolutely.

5 MR. BURNETT: I take it you intend to keep the
6 facility open throughout the live racing, the summer
7 as well, the live meet here at Colonial, leave it
8 permanently open?

9 MR. WEINBERG: Absolutely.

10 MR. BURNETT: Right.

11 MR. WEINBERG: Absolutely.

12 MR. BURNETT: I just want to be clear.

13 All right. Any other questions at this time?

14 Do we have any members of the public that are
15 interested in commenting or have questions of the
16 applicant?

17 Yes, sir. Mr. Canaan?

18 MR. CANAAN: Jerry Canaan on behalf of the
19 harness association. Jim, I apologize for not
20 asking you this in advance, but it just crossed my
21 mind. If there are only five decoders or screens on
22 display, has there been given any thought to making
23 sure at least one of them is a standardbred -- if
24 the signal is available, making sure that the
25 standardbred breed is certainly shown on at least

1 one of the screens?

2 MR. WEINBERG: I think, Jerry, the
3 understanding is, obviously we want to have --
4 generate wagering, and so whatever product is
5 available for that decoder is what we're going to
6 try to put on it. I can't pledge to you that every
7 moment that we're open one of those decoders will be
8 devoted to harness racing.

9 MR. CANAAN: Jeanna, do you have any thoughts
10 on that? I saw you shaking your head.

11 MR. BOUZEK: I agree with what Jim said. I
12 mean, you know, it's very hard to go through and
13 only pick five tracks. So we have to see what our
14 customers want and -- you know.

15 MR. WEINBERG: And to be clear, that's what
16 broadcasts on the television sets.

17 MR. CANAAN: Right.

18 MR. WEINBERG: We'll also have a set devoted
19 to TVG. Candidly, I don't know if TVG shows
20 harness, but to the extent it does --

21 MR. CANAAN: It does.

22 MR. BOUZEK: And we've got the EZ Horseplay
23 machines, we've got two -- we'll have two account
24 wagering terminals that they can sign up for an
25 account and wager on anything that they want.

1 MR. CANAAN: Yeah.

2 MR. WEINBERG: And to be clear, the decoders
3 don't tie into the tote machine. So even though
4 it's not being displayed on the TV, you could still
5 wager on a track if it's part of the tote.

6 MR. CANAAN: Is there any way during this
7 experimental phase in the next 30 days before the
8 next meeting that you could -- when we come back in
9 May, give us an idea of what has been shown since
10 this is new and there's a smaller number of screens
11 so we have an idea of what's being shown? Do you
12 keep track of that?

13 MR. BOUZEK: Absolutely. Absolutely. We have
14 to give Roberts a list of what we want shown.
15 That's why we said we would keep Vic up to date
16 because we know it's going to change.

17 MR. CANAAN: Right.

18 MR. BOUZEK: We're just shooting blind right
19 now. We're picking five, you know.

20 MR. CANAAN: Sure.

21 MR. BURNETT: How many do you typically show
22 at a more conventional SWF? You're down to five,
23 what is it down from?

24 MR. BOUZEK: Well, it depends on what day
25 you're talking about --

1 MR. BURNETT: Sure.

2 MR. BOUZEK: -- because usually there's five.
3 On a Saturday, we can show as many as 12, 12 to 13.

4 MR. BURNETT: Is there an optimum number?
5 Does that get to be too many?

6 MR. BOUZEK: It's too many.

7 MR. BURNETT: Where do you like to be?

8 MR. BOUZEK: Six or seven. I mean --

9 MR. BURNETT: So this isn't far from --

10 MR. BOUZEK: Correct. Because of the way the
11 post times run, you don't want much more than that.
12 Everybody is running at the same time.

13 MR. BURNETT: Every minute and a half.

14 MR. CANAAN: Thank you, Mr. Chairman.

15 MR. BURNETT: Thank you.

16 Any other member of the public?

17 Yes, ma'am. If you would identify yourself,
18 please, and you can stay there or stand, whatever
19 you prefer.

20 MS. DAYLOR: My name is Patty Daylor. I'm an
21 optometrist. I have an office that's two doors down
22 from Finn McCools, and we've been there for ten
23 years. I'm concerned about the impact of having
24 betting in our shopping center and the hours of
25 operation specifically could affect our business,

1 and I'm wondering if this is an experiment for a
2 year, do we have any recourse if we're unhappy with
3 the effect that it has on the area?

4 MR. BURNETT: I'd be happy to try to answer
5 that.

6 The licensee, Colonial Downs, is under an
7 ongoing duty to be in compliance with our many
8 regulations. As you can imagine in Virginia, the
9 regulation of wagering is an important subject and
10 it took a long time to develop a set of regulations
11 and statutes that were satisfactory.

12 So it -- I'm thinking the same way you are,
13 and that was the crux of my questions about security
14 and the like. We do have an unblemished record in
15 terms of how these facilities have operated, both as
16 freestanding units in other communities and also as
17 part of shopping centers down in Tidewater, and we
18 have yet to hear any significant complaint.

19 We've heard no complaints that I'm aware of
20 from neighbors. We sometimes get complaints from
21 folks who come in with a full wallet and leave with
22 an empty wallet, but that's their own issue. That
23 doesn't really have much to do with how the place is
24 run, but you would have the opportunity at any
25 meeting, and we meet monthly, to come and tell us of

1 issues and it's of significant concern to us because
2 the expansion and success of horse racing in
3 Virginia is dependent upon public approval in what
4 we're doing.

5 Your concerns are ones that have been
6 frequently voiced in other communities and
7 legitimately so prospectively, but thankfully, we've
8 never had problems materialize if that's any comfort
9 to you. With that said, we really would appreciate
10 good feedback from neighbors that are around this
11 facility.

12 MS. DAYLOR: So it's open for discussion
13 monthly at your meetings?

14 MR. BURNETT: Yes.

15 MS. DAYLOR: Okay.

16 MR. BURNETT: And I can tell you that Colonial
17 Downs is very responsive. The folks sitting not
18 just in the front row, but in the second row who are
19 day-to-day, boots on the ground looking after these
20 places take their job very seriously, and even the
21 smallest of issues gets tended to very promptly.

22 MR. REYNOLDS: I got a question.

23 MR. BURNETT: Yes.

24 MR. REYNOLDS: Have you had any problems in
25 this location with this restaurant in the past?

1 MS. DAYLOR: No.

2 MR. BURNETT: I take it your business closes
3 sometime in the early evening?

4 MS. DAYLOR: Five-thirty, six o'clock.

5 MR. BURNETT: Right. Right. I would hope and
6 I expect the situation won't be any different. You
7 won't see any appreciable difference is my guess.
8 If you were open later in the evening, you know, I
9 just -- because it's an experiment, maybe the
10 patrons will be slightly different. We hope it will
11 be somewhat different. We hope there will be more
12 people there using these machines.

13 MS. DAYLOR: And do you know what the
14 earliest -- the hours would be?

15 MR. WEINBERG: Yeah. Just to be clear, the
16 hours will not change from how Finn McCool currently
17 operates, which I understand is generally Monday
18 through Sunday eleven to eleven, and then
19 Saturday -- Friday and Saturday, 11:00 to 1:00 a.m.

20 MS. DAYLOR: And then the horse racing happens
21 during the day as well, during Monday through Friday
22 business hours?

23 MR. BOUZEK: The first race usually goes off
24 about twelve-thirty. That doesn't mean that, you
25 know, again based on need that we'll be there

1 necessarily at twelve-thirty, but the first race
2 doesn't even go off until twelve-thirty.

3 MS. DAYLOR: But they are during the week, not
4 on the weekends?

5 MR. BOUZEK: They're seven days a week.

6 MS. DAYLOR: All right.

7 MR. BOUZEK: Again, I would just like to
8 reiterate, two of our facilities are in strip malls,
9 our Hull Street location in south Richmond and our
10 Indian River, and we've been nothing but good
11 neighbors and, I mean, have built up the strip mall
12 over at the Haynes Plaza. I would welcome you to go
13 by and check out those facilities.

14 MR. REYNOLDS: Mr. Chairman?

15 MR. BURNETT: Yes.

16 MR. REYNOLDS: One other point is that we have
17 a schedule where we visit these locations, full size
18 locations. I'm sure we'll develop something for
19 McCools.

20 MR. LERMOND: We plan to treat that one just
21 like we would any other SWF right now as far as
22 monthly visits and inspections and talking with the
23 patrons. Everything that we do now with existing
24 SWFs, we will do with Finn McCools.

25 MR. BURNETT: And that typically includes

1 things like the cleanliness of the bathrooms, the
2 quality of the food, interviews with multiple
3 patrons to ask them if they're having any issues,
4 really trying to be the eyes and ears of a concerned
5 commission so that if there is anything developing,
6 we're on it very early. And so far -- the reports
7 are a matter of public record and Dave can share his
8 form or even some of the actual reports with you if
9 you'd like, and you'll see what we -- the level of
10 scrutiny we try and engage.

11 MS. DAYLOR: Okay. Thank you.

12 MR. BURNETT: Thank you for coming out.

13 Anybody else from the public wish to comment?

14 All right. We'll move to our summation and
15 rebuttal, if any, from the applicant.

16 MR. WEINBERG: I would just like to summarize
17 that I think you've seen in the application, the
18 staff report, and hopefully what you have heard
19 today that the granting of a license to Colonial
20 Downs and Stansley Racing Corp would advance the
21 mission of the Commission and of the Racing Act, to
22 grow, sustain horse racing in Virginia.

23 We're very excited about the opportunity at
24 Finn McCools, to reach a new demographic to horse
25 racing, and to attract people out here to live

1 racing. Colonial Downs and Stansley Racing have
2 satisfied all the legal requirements to be eligible
3 for this application, and I would just want to
4 highlight that it is prepared to move forward
5 expeditiously and open as early as tomorrow so that
6 we are ready for the Kentucky Derby on Saturday.

7 MR. BURNETT: I meant to ask you this earlier,
8 Jim. You're really ready to open doors tomorrow?
9 You can do that? Jeanna is nodding her. I know
10 from her many years of experience that that means it
11 can happen.

12 All right. Gentlemen, any other further
13 questions or matters to take up with the applicant?

14 I'll offer that I see no reason for us to
15 defer a decision on this, and unless there's a
16 feeling otherwise, I think we should entertain a
17 motion to approve.

18 MR. REYNOLDS: I propose a motion to approve
19 the application as submitted.

20 MR. BURNETT: All right.

21 MR. BROWN: I second that.

22 MR. BURNETT: And does your motion,
23 Commissioner Reynolds, include the designation of
24 Mr. Harrison to monitor hours of operation as we
25 discussed?

1 MR. REYNOLDS: Yes.

2 MR. BURNETT: It's been moved and seconded
3 that we approve the Finn McCools -- I'm sorry.

4 Let me -- on good advice of counsel, I want to
5 be certain that your motion included the
6 recommendations of staff as contained in their
7 report.

8 MR. REYNOLDS: It does.

9 MR. BURNETT: Now, it having been moved and
10 seconded that we approve the Finn McCools SWF in
11 conformity with the staff recommendations and the
12 additional designation of Mr. Harrison to monitor
13 hours and approve any changes in hours until our
14 next meeting, all in favor indicate by saying aye.

15 Note: (Aye.)

16 MR. BURNETT: Motion carries unanimously.

17 Thank you.

18 MR. WEINBERG: Thank you.

19 MR. BURNETT: We look forward to the opening
20 tomorrow and a successful derby week and being a
21 good neighbor to some good neighbors that you have
22 there waiting that showed enough concern to come out
23 here and ask some good questions. Thank you.

24 Note: The proceedings concluded at 11:53 a.m.

25

CERTIFICATE

VIRGINIA:

COUNTY OF NEW KENT:

I, MELISSA H. CUSTIS, RPR, hereby certify that I was the Court Reporter for the Virginia Racing Commission meeting on April 27th, 2010, New Kent, Virginia, at the time of the hearing herein.

I further certify that the foregoing transcript is a true and accurate record of the meeting and other incidents of the hearing herein.

Given under my hand this 10th day of May, 2010.

Melissa H. Custis, RPR

Notary Public for the State of Virginia at Large

My Commission expires:

March 31, 2011