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**VIRGINIA RACING COMMISSION**

April 26, 2011

10700 Horseman's Road

New Kent, VA 23124

Commencing at 10:03 a.m.

**COMMISSION MEMBERS:**

Clinton Miller, Chairman  
Stuart Siegel  
David Reynolds  
J. Sargeant Reynolds, Jr.

**COMMISSION STAFF:**

Bernard J. Hettel, Executive Secretary  
David S. Lermond, Jr., Deputy Executive Secretary  
Kimberly M. Carter, Office Administrator  
C. Richard Harden, DVM, Equine Medical Director  
Joseph M. Roney, Director of Security & Enforcement  
Dennis E. West, Director of Operations  
Peggy E. Mason, Permitting Manager

**ATTORNEY GENERAL'S OFFICE**

Amy K. Dilworth

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1 MR. MILLER: Good morning. We're going to  
2 start the meeting. Mark Brown has notified us that  
3 he will not be here because of his vehicle breaking  
4 down and Amy Dilworth has contacted us and indicated  
5 that she's going to be a little bit late.

6 We'll start. I'll welcome a motion for the  
7 approval of the minutes.

8 MR. SIEGEL: So moved.

9 MR. MILLER: And Stuart Siegel has just moved  
10 and we approve the minutes.

11 MR. SIEGEL: I have.

12 MR. MILLER: And I second that motion.

13 Anyone have any additions or corrections to  
14 the minutes?

15 NOTE: There is no response.

16 MR. MILLER: Hearing none, the minutes are  
17 approved.

18 Second item on the agenda is the  
19 commissioners' comments. Do any commissioners have  
20 any comments they wish to make at this time?

21 Do you?

22 MR. SIEGEL: I do not.

23 MR. MILLER: Mr. Dave Reynolds, do you have  
24 any comments you want to make?

25 MR. D. REYNOLDS: No, sir.

1           MR. MILLER: Sarge Reynolds, any comments you  
2           wanna make?

3           MR. S. REYNOLDS: Good morning and Happy  
4           Easter.

5           MR. MILLER: I'll make one brief comment and  
6           let it go at that. I do want to get it on record  
7           that we finally have our executive secretary in  
8           place after a long and arduous process. I want to  
9           welcome Bernard Hettel here today as our --

10          MR. HETTEL: Thank you, Mr. Chairman. Good to  
11          be here with you. Yesterday, we got all the  
12          paperwork completed. I'm happy to join you and get  
13          my hands dirty. We've got some business to do.  
14          Let's get to it.

15          MR. MILLER: Okay. Well, thank you. Thank  
16          you very much.

17          I can't let the record -- Yes, sir.

18          MR. D. REYNOLDS: I'd like to recognize you  
19          and the effort you've done in last two weeks, as  
20          evidenced by the e-mails I've seen in the last four  
21          weeks. I think you did a fine job.

22          MR. MILLER: Well, thank you. Actually, four  
23          weeks, and I do want to get it on record.

24          We laugh, but I want to tell you I want to get  
25          it on record that I am very disappointed with the

1 process that the state has in place. It was an  
2 amazing adventure to get people at the state level  
3 within the Executive branch to read the code and to  
4 understand how you put in place an executive  
5 secretary at the Racing Commission. But we got it  
6 accomplished and I will say this, despite their  
7 incompetence, they were always very nice.

8 Committee reports. Mr. Sargeant Reynolds, do  
9 you have a report from the Breeders' Fund  
10 Thoroughbred subcommittee?

11 MR. S. REYNOLDS: I do and I am going to defer  
12 to David Lermond. He will be a lot more thorough  
13 than I would be, so I turn my report to you.

14 MR. LERMOND: I'll be happy to do that,  
15 Commissioner Reynolds.

16 This year's a little different than prior  
17 years in that we're a little backwards in our  
18 process with the Breeders' Fund incentives for the  
19 Thoroughbred meet.

20 Normally, the race days are approved a little  
21 earlier in the year and that gives the subcommittee  
22 the time to get together and have a meeting and then  
23 decide how best to spend the Breeders' Fund money  
24 that's gonna be distributed in conjunction with the  
25 live Thoroughbred meeting; because the race days

1 were only approved last month and we were reminded  
2 by Mr. Petty that we were gonna have to make a  
3 decision on the Breeders' Fund portion spending  
4 because of the condition book being under deadline.

5 So basically what happened was after the race  
6 days were approved and Mr. Petty informed us about  
7 this, Commissioner Siegel moved that the VRC agree  
8 to the plan as outlined and that the VRC would  
9 formally adopt the plan as recommended by the  
10 subcommittee at its April meeting.

11 The plan as outlined by Mr. Petty is simply  
12 that we would do the exact same thing as we had done  
13 the year before, except that the 60 percent owners'  
14 bonus would turn into a 75 percent owners' bonus.

15 The good news is that a day or two later when  
16 I sat down to look at the numbers, Mr. Petty had not  
17 taken into account the fact that we were only gonna  
18 run 33 days and not 40 days. That enabled us to  
19 actually offer a 100 percent owners' bonus.

20 Many of you will remember that when we did  
21 this several years ago -- one of the most popular  
22 things and probably the best thing the Breeders'  
23 Fund had done in a long time.

24 So through an e-mail meeting, basically,  
25 through members of the subcommittee, it was thrown

1 out there that we could do the 100 percent bonus and  
2 still be within our budget and all the responses  
3 were very positive.

4 Everybody was thrilled that we would get back  
5 to the 100 percent bonus again and with one minor  
6 discussion about how many places back to pay the  
7 bonus to and we ended up saying we were gonna pay a  
8 bonus on Positions One through Five. Last year, we  
9 did One through Four.

10 There was a suggestion to pay all the way  
11 through last place, but because we didn't have the  
12 historical data on what that would possibly cost us,  
13 we thought it was better and a good compromise to go  
14 ahead and pay first through fifth this year;  
15 however, the VTA agreed to keep track of all the  
16 finishing positions of Virginia-bred or sired horses  
17 this year, so that if the Committee would like to  
18 try to pay all places the bonus next year, we would  
19 have a good idea of what that would cost us.

20 So with that, on behalf of the subcommittee,  
21 I'd like to read you the three recommendations that  
22 were unanimously approved by the subcommittee.

23 The first is that the Breeders' Fund pay a  
24 100 percent bonus to the owners of Virginia-bred or  
25 sired horses that finish first through fifth in any

1           unrestricted overnight race at Colonial Downs and  
2           also pay a 25 percent supplement to the purses of  
3           overnight races restricted to Virginia-bred or sired  
4           horses.

5           I should add that the total amount of these  
6           two programs will be capped at a amount of \$625,000  
7           for the entire race meeting.

8           Second, the Breeders' Fund will contribute  
9           \$20,000 towards each of six Virginia-bred stake  
10          races, for a total of 120,000.

11          And third, pay a ten percent award to the  
12          breeders of horses that earn the 100 percent bonus,  
13          as outlined in Item One above. This item will not  
14          be paid until the end of the meet.

15          Mr. Chairman, that is the recommendation of  
16          the subcommittee. We hope that the Commission will  
17          be as enthusiastic as we were to go for the  
18          100 percent bonus this year.

19          MR. MILLER: Do I hear a motion on the  
20          recommendation, Sarge?

21          MR. S. REYNOLDS: So move.

22          MR. MILLER: Second?

23          MR. SIEGEL: I'll second.

24          MR. MILLER: Any discussion? Mr. Petty, do  
25          you have any comments?



1           MR. PETTY: I think Dave described it exactly  
2 as it happened.

3           MR. MILLER: Okay.

4           MR. PETRAMALO: One question.

5           MR. MILLER: Mr. Petramalo.

6           MR. PETRAMALO: Dave, the 20,000 to each of  
7 the Virginia stakes races; is that the same as we  
8 did last year?

9           MR. LERMOND: Yes.

10          MR. PETRAMALO: As I remember, there was some  
11 e-mail floating around as to whether it was 25/25 or  
12 30/20 and I remember we had some kind of special  
13 arrangement last year; I just couldn't recall it.

14          MR. LERMOND: Well, in prior years, those  
15 races were 60,000 total.

16          MR. PETRAMALO: Right.

17          MR. LERMOND: It was 30 from the track and 30  
18 from the Breeders' Fund.

19          MR. PETRAMALO: Right.

20          MR. LERMOND: But then the Breeders' Fund  
21 committee decided a year or two ago that they only  
22 wanted to put 20 towards those races, so I think the  
23 track lowered those from 60 to 50, so that they  
24 still ended up putting the same 30,000 on their end.

25          MR. PETRAMALO: Well, okay. Nonetheless, I'm

1 not sure that's quite accurate, but it is accurate  
2 that last year, the Breeders' Fund put in 20,000 for  
3 each one of the races.

4 MR. LERMOND: That is correct. I did go back  
5 and double check that.

6 MR. PETRAMALO: Okay. Thank you.

7 MR. MILLER: Yes, sir.

8 Any other comments, discussion?

9 NOTE: There is no response.

10 MR. MILLER: Motion's been made and seconded  
11 that the recommendation of the subcommittee be  
12 accepted. All in favor, say aye.

13 MR. SIEGEL: Aye.

14 MR. S. REYNOLDS: Aye.

15 MR. MILLER: Opposed?

16 Note: There is no response.

17 MR. MILLER: The recommendation is accepted.

18 Any other committee reports? Any other  
19 committee wish to report on anything?

20 NOTE: There is no response.

21 MR. MILLER: Hearing nothing, we'll move on to  
22 the executive secretary's report and I suppose,  
23 Mr. Lermond, you'll be the one to make the report  
24 for today?

25 MR. LERMOND: I'd be happy to do that,

1 Mr. Chairman.

2 MR. MILLER: Yes, sir.

3 MR. LERMOND: The first item on the report  
4 today is approval of the racing officials of the  
5 Colonial Downs Thoroughbred meet.

6 In Tab Three of your books, you'll see a  
7 letter written by Tyler Picklesimer, director of  
8 racing for Colonial Downs, in which he lists the  
9 racing officials that he's proposing for this week  
10 and the functions that they will perform.

11 There's only one new name on this list, as  
12 compared to last year and that's Joe'Lyn Rigione.  
13 I've actually known Joe'Lyn for about 15 years from  
14 my days at Delaware Park. She's got a very strong  
15 background in horse racing. I think her father was  
16 a pretty good trainer and I think she'll be an  
17 excellent addition to the staff. Tyler has a knack  
18 of finding good people to come here each year and  
19 the Commission certainly proved that and the staff  
20 would recommend that the Commission approve this  
21 list of racing officials.

22 MR. MILLER: Any discussion?

23 NOTE: There is no response.

24 MR. MILLER: Do I hear a motion?

25 MR. S. REYNOLDS: Moved.

1 MR. SIEGEL: Second.

2 MR. MILLER: Its been moved and seconded that  
3 the racing officials for the Virginia Racing  
4 Commission for the 2011 Thoroughbred meet, as listed  
5 in Tab Three --

6 MR. LERMOND: Tab Three.

7 MR. MILLER: -- be approved. All in favor?

8 NOTE: The Commission votes aye.

9 MR. MILLER: Opposed?

10 NOTE: There is no response.

11 MR. MILLER: They are approved.

12 MR. LERMOND: Okay.

13 MR. MILLER: Next.

14 MR. LERMOND: Next item is approval of the  
15 2011 wagering format for Colonial Downs.

16 If you'll turn to Tab Four, we have a letter  
17 written by Mr. Wingrove, director of simulcasting  
18 mutuels for Colonial Downs.

19 Colonial Downs is, in essence, asking for  
20 guidelines for the same wagering format that they  
21 had last year, with really only one exception and  
22 that is that they're going to offer rolling Pick 3s  
23 on the betting menu.

24 When I say rolling Pick 3s, that simply means  
25 that if any race where there's not a double or a

1 Pick 4 offered, they're gonna offer a Pick 3  
2 starting in that race. So it could be a Pick 3 on  
3 races two, three and four and then there could be  
4 one in three, four, five.

5 In some cases, it gives a bettor that loses  
6 the first leg of his Pick 3 and he really liked the  
7 other two legs, it gives him that chance to go back  
8 to the window of the following race and pick up  
9 those two horses he likes and add it to another  
10 race. And it has been done at a lot of race tracks  
11 and I think it'll have a positive effect on Colonial  
12 Downs.

13 If you'll just turn the page for a second,  
14 I'll just briefly go through. You'll see there's a  
15 nine-race card at the top and it shows that in each  
16 race, it says WPS, which stands for Win Place Show.  
17 EX is Exacta Trifecta and Super Fecta.

18 Those pools will be offered in all races, and  
19 in some races, you'll have a Daily Double, which is  
20 DBL. The P3 is the Pick 3 and then on this example  
21 of a nine-race card, there'll be one Pick 4  
22 starting, looks like in the fourth race.

23 The other item that I'd like to note is  
24 that Colonial will again have a Pick 5 wager on  
25 Virginia Derby day. I think it's all stakes Pick 5.

1 They did this last year. It falls under our rules  
2 as a pick and wager with no carryover and staff  
3 would recommend approval of the wagering format for  
4 2011.

5 MR. MILLER: Do I hear a motion that we  
6 approve the wagering format for 2011?

7 MR. SIEGEL: So moved.

8 MR. D. REYNOLDS: Second.

9 MR. MILLER: Its been moved and seconded.  
10 Any discussion?

11 NOTE: There is no response.

12 MR. MILLER: Anyone in the public have any  
13 question they want to raise about it now?

14 NOTE: There is no response.

15 MR. MILLER: Having heard it thoroughly  
16 explained and everyone understands how to go to the  
17 window and place these exotic bets now, right?  
18 Okay. All in favor, say aye.

19 NOTE: All Commissioners vote aye.

20 MR. MILLER: Opposed?

21 NOTE: There is no response.

22 MR. MILLER: It's approved. Wagering for 2011  
23 wagering format is approved.

24 Next.

25 MR. LERMOND: Thank you, Mr. Chairman.

1           The next item is the approval of Colonial  
2 Downs' simulcast wagering guest sites. We go to Tab  
3 Five and we have another letter written by  
4 Mr. Wingrove.

5           Colonial Downs is asking for permission to  
6 send its signal to the list of outlets on the next  
7 page. Staff has reviewed this list and there were  
8 not any new outlets on this list than there were  
9 last year.

10           As a procedure, staff reviews daily the ITW  
11 report, which basically gives the wagering  
12 information for each site for that day, just to look  
13 for any abnormalities or anything that looks out of  
14 whack or anything of concern.

15           The entire meet last year, we did not have any  
16 issues or concerns with any of these outlets that  
17 are on the list, and therefore, Staff would  
18 recommend the approval of the guest sites for 2011.

19           MR. MILLER: Do I hear a motion?

20           MR. S. REYNOLDS: So moved.

21           MR. MILLER: Second?

22           MR. SIEGEL: Second.

23           MR. MILLER: Its been moved and seconded.

24           Any discussion?

25           NOTE: There is no response.

1           MR. MILLER: Again, has Colonial Downs -- Have  
2 you had a chance to review these?

3           MR. PETRAMALO: No. I haven't had a chance to  
4 review them. I opened the mail this morning and I  
5 saw the letter from Jeff.

6           What I did see quickly going through them,  
7 there were some ADWs on there that I think we ought  
8 to take a careful look at to see whether they are  
9 doing business in Virginia.

10          A couple months ago, I saw some of these and I  
11 went and tried to sign up with them and most of them  
12 wouldn't allow it because I had a Virginia  
13 residence, but at least one let me sign up and I  
14 don't know whether it was Racing Today, which I  
15 believe is on that list, or another one. I have to  
16 check my notes.

17          But you know, I wouldn't want to be sending a  
18 signal to anybody who is doing business in the state  
19 without being licensed. I'll go back and check.

20          MR. MILLER: We'll just admonish the -- not  
21 admonish -- direct the office of the executive  
22 secretary to examine the list and to make sure that  
23 anyone who is receiving the signal as an ADW is  
24 properly licensed in Virginia.

25          MR. LERMOND: Yes, sir.



1           Part of our process when we review the  
2           contracts with the guest sites, if it is an ADW and  
3           they do state that they are gonna conduct any  
4           account wagering, as I check, I'll go on their  
5           website or call or whatever it is and try and see if  
6           I can sign up as a Virginia resident.

7           As Frank says, most of them will not, but  
8           there are a couple that maybe they say they didn't  
9           know. I don't want to comment any further on that.  
10          In most cases, once we let them know they need to be  
11          licensed in Virginia, we'll go back a week later and  
12          it'll be taken care of.

13          MR. SIEGEL: If it's not, they will be taken  
14          off the list if it's not taken care of?

15          MR. LERMOND: We will not approve that signal  
16          if they are operating illegally. We will take them  
17          off.

18          MR. SIEGEL: So we're voting to approve it,  
19          subject to inspection?

20          MR. LERMOND: Yes, sir.

21          MR. PETRAMALO: It's really a two-step  
22          process. You approve the export sites and then  
23          under the Interstate Horse Racing Act, the HBPA has  
24          to approve it, so we'll go over that list a second  
25          time.

1 MR. SIEGEL: So the motion should show that's  
2 subject to approval then.

3 MR. PETRAMALO: Yeah.

4 MR. MILLER: Plus, it's subject to everyone  
5 remaining in good standing. I mean you could be  
6 properly licensed and do something that might cause  
7 you to forfeit your ability to receive the signal  
8 and that'll be found either by our staff or by your  
9 people or any other interested stakeholder.

10 MR. PETRAMALO: Right.

11 MR. LERMOND: That's correct. As  
12 Mr. Petramalo pointed out, the Interstate Horse  
13 Racing Act of 1978 says you need both approvals of  
14 the Racing Commission and the horsemen to be able to  
15 conduct simulcasts.

16 MR. MILLER: With that understanding, you make  
17 a motion to approve?

18 MR. SIEGEL: I do.

19 MR. MILLER: Second?

20 MR. S. REYNOLDS: Second.

21 MR. MILLER: Its been seconded by Mr. Reynolds  
22 -- S. Reynolds, I guess it was.

23 NOTE: Commissioner Sarge Reynolds  
24 nodding his head.

25 MR. LERMOND: The next item is --

1 MR. MILLER: We need to vote on the motion.

2 All in favor, say aye.

3 MR. SIEGEL: Aye.

4 MR. S. REYNOLDS: Aye.

5 MR. MILLER: It's approved.

6 Okay. Next.

7 MR. LERMOND: I didn't mean to jump the gun.

8 The next item is the approval of stewards of  
9 the 2011 Thoroughbred meet, under Tab 6.

10 Each year, the Commission shall appoint  
11 stewards, including one senior Commonwealth's  
12 steward, all of whom shall be employees of the  
13 Commission.

14 This year, the staff is recommending Jean C.  
15 Chalk to be our senior Commonwealth's steward,  
16 Philip E. Grove to be the Commonwealth's steward and  
17 Adam Campola to be the other Commonwealth's steward;  
18 in addition, I guess, I'm recommending myself as an  
19 alternate.

20 Mr. Chalk is a former rider that's worked with  
21 the Commission since the year 2000. He's been our  
22 senior Commonwealth's steward for the last few  
23 years.

24 Mr. Grove is also a former rider. He serves  
25 as the senior steward in Maryland and worked in

1 Virginia for many years.

2 Mr. Campola is also a former rider and  
3 currently the clerk of scales in Maryland and has  
4 worked as a steward at Michigan's Great Lakes Downs  
5 and also worked as a Commonwealth's steward for the  
6 Virginia Racing Commission in 2010.

7 I've had the honor of working with Mr. Chalk  
8 and Mr. Grove two years ago when I was one of the  
9 full-time stewards and I just would like to say  
10 those two gentlemen are just ideal as far as what  
11 you would want in a steward; integrity, their  
12 knowledge, their experience.

13 I think it just makes the VRC that much  
14 stronger of a commission to have gentlemen like all  
15 three of these gentlemen in our stewards' stand and  
16 with that, I would recommend approval of these  
17 individual four stewards for 2011.

18 MR. MILLER: I assume then before making the  
19 recommendation, you've determined that these  
20 gentlemen have all met the qualifications and that  
21 they've all disclosed -- filed their disclosures  
22 regarding conflicts of interest and so forth?

23 MR. LERMOND: Yes, and they are all fully  
24 accredited.

25 MR. SIEGEL: And none of them are otherwise

1 employed by Colonial?

2 MR. LERMOND: No. We'll have no conflicts.

3 MR. MILLER: I'll move --

4 MR. D. REYNOLDS: Were there more candidates?

5 MR. LERMOND: No, sir. These were the three  
6 gentlemen we had last year. I didn't have anyone  
7 call and say they were interested in the job.

8 Normally, what happens is it's almost like  
9 through the grapevine. If the steward leaves a  
10 track, all the others catch wind of it and you are  
11 inundated with résumés and phone calls, but we  
12 didn't experience that with the Thoroughbred  
13 stewards this year.

14 MR. MILLER: I'll move to be approved. Any  
15 second to that?

16 MR. SIEGEL: Second.

17 MR. MILLER: Moved and seconded that the  
18 stewards be approved. All in favor, say aye.

19 NOTE: The Commissioners vote aye.

20 MR. MILLER: They are approved.

21 MR. LERMOND: Thank you, Mr. Chairman.

22 I have one related item. It has to do with  
23 the racing officials for the Strawberry Hill races  
24 which will be held here May 21st.

25 The staff has not received a complete list of

1 racing officials from the State Services  
2 Corporation. I fully expect to have a list of these  
3 officials by the end of this week and I would ask  
4 that the Commission delegate the approval of these  
5 racing officials to the executive secretary,  
6 Mr. Hettel, after staff has fully reviewed and  
7 completed background checks on the racing officials  
8 for Strawberry Hill.

9 MR. MILLER: This is just for the Strawberry  
10 Hill meet?

11 MR. LERMOND: Yes, sir. Just for the  
12 Strawberry Hill meet, May 21st.

13 MR. S. REYNOLDS: How many officials, roughly?

14 MR. MILLER: It probably won't be quite as  
15 long a list as what you saw for Colonial Downs, but  
16 you're gonna see many of the same people as far as  
17 paddock judge and placing judges and starter and  
18 horse ID.

19 These are people that I think we need to make  
20 sure their backgrounds are clean and they have  
21 integrity, because they are directly related and  
22 involved in horse racing.

23 This year, with wagering on Strawberry Hill,  
24 we just want to be sure that they follow all of our  
25 rules and regulations, including being licensed.

1 MR. SIEGEL: It is also Preakness day, right?

2 MR. LERMOND: It is Preakness day, yes.

3 MR. PETRAMALO: Strawberry Hill has asked me  
4 to be a control judge or something like that.

5 Leaving aside my character issues, is there any  
6 conflict in --

7 MR. LERMOND: Are you gonna have any horses  
8 running that day?

9 MR. PETRAMALO: No. No. I guess technically,  
10 I'd be an employee of the Racing Commission for that  
11 day, serving without compensation.

12 MR. LERMOND: You would be licensed as a  
13 racing official by the Commission, but working or  
14 volunteering for State Fair Services.

15 MR. PETRAMALO: Okay. All right. Then we  
16 don't have a problem.

17 NOTE: Amy Dilworth enters the meeting.

18 MR. MILLER: Get out of her chair and get back  
19 where I belong. Good morning.

20 So you will be a racing official for one day?

21 MR. PETRAMALO: Yes.

22 MR. D. REYNOLDS: He'll be an employee for one  
23 day?

24 MR. MILLER: I don't know. Of course, my  
25 attitude is if it were a conflict, it's a disclosed

1 conflict and it's of very minimal duration. I have  
2 no problem with it. Any other commissioner have a  
3 problem with that possibility?

4 MR. SIEGEL: I can't imagine that there would  
5 be any circumstances that you would have a conflict.  
6 Can you think of anything?

7 MR. PETRAMALO: No.

8 MR. MILLER: What we're discussing here,  
9 Ms. Dilworth, is that the Strawberry Hill races will  
10 have racing officials for that one day. Most of  
11 them will probably be the same people who are the  
12 racing officials for the regular meet; however,  
13 there'll be certain ones who will not be and  
14 Mr. Petramalo has indicated that he has been  
15 approached by Strawberry Hill officials to -- To  
16 serve as a what?

17 MR. SIEGEL: To serve as a patrol judge.

18 MR. PETRAMALO: Patrol judge.

19 MR. MILLER: Patrol judge for that one day and  
20 he wonders if there would be any conflict in doing  
21 that. He's not going to have horses, of course,  
22 running --

23 MR. PETRAMALO: No.

24 MR. MILLER: -- in the Strawberry Hill races.  
25 But as a horseman and the head of the group here in



1 Richmond, he will technically, I guess, would be an  
2 employee without portfolio, that is without  
3 compensation for one day for the Strawberry Hill  
4 race.

5 My feeling is since it has been disclosed and  
6 it's of such de minimus value, that I would have no  
7 problem with it. Do you see any problem with it off  
8 the top of your head?

9 MS. DILWORTH: No. And you are speaking of  
10 him being an unpaid employee of Strawberry Hill; is  
11 that right?

12 MR. PETRAMALO: As a patrol judge.

13 MR. LERMOND: Anyone going to pay you, Frank?

14 MR. PETRAMALO: No, no, no.

15 MR. SIEGEL: But technically, he would be  
16 working for them unpaid.

17 MR. PETRAMALO: Yes.

18 MR. LERMOND: That's correct. To be clear,  
19 what a patrol judge would do is I think they're  
20 gonna have one at each jump --

21 MR. PETRAMALO: Right.

22 MR. LERMOND: -- and you're basically looking  
23 for infractions --

24 MR. PETRAMALO: You're looking for  
25 interference at the jump.

1           MR. LERMOND:  -- that you would see with your  
2           eyes and then you would get on the Walkie Talkie and  
3           tell the stewards I saw so-and-so did something, but  
4           it will still be up to the stewards to decide  
5           whether to take action or not.  The patrol judge  
6           merely points it out.  It's like an extra set of  
7           eyes.

8           MR. MILLER:  Well, for the purposes here  
9           today, all we're doing at this time is I'll make a  
10          motion, a motion that -- The motion is that the  
11          Commission delegate the authority to designate  
12          racing officials for the one day at the Strawberry  
13          Hill race meet.

14          MR. SIEGEL:  Delegate to?

15          MR. LERMOND:  Mr. Hettel.

16          MR. MILLER:  Delegate to the office of the  
17          executive secretary of the Commission the ability to  
18          designate the officials for that one race day.

19          MR. SIEGEL:  I second that.

20          MR. MILLER:  Its been moved and seconded.  
21          All in favor, say aye.

22                  NOTE:  All Commissioners vote aye.

23          MR. MILLER:  So if anything arises, it's your  
24          baby.

25                  Is that all you have, Mr. Lermond?

1           MR. LERMOND: Mr. Chairman, that is all I  
2           have.

3           MR. MILLER: All right. We'll now hear from  
4           the stakeholders. We've got on the list here VTA  
5           management contract. Mr. Glenn Petty.

6           MR. PETTY: I presume, Mr. Chairman, in your  
7           packet is our management contract?

8           MR. LERMOND: We didn't put last year's  
9           contract.

10          MR. PETTY: It's the same as it has been for  
11          three years. I think Dave and I are at the point  
12          where we are exchanging signatures. So we're just  
13          asking -- At some point each year, we have to get  
14          formal approval.

15          And this -- Commissioner Reynolds, second on  
16          the right Reynolds, who hasn't gone through this  
17          process yet -- is the Virginia Thoroughbred  
18          Association manages and promotes the Virginia  
19          Breeders' Fund, as the harness horse does the  
20          harness version of that and this is our contract  
21          that dots the I's and crosses the T's. We sign  
22          annually with the Commission and I believe every  
23          component of it is the same as it has been for the  
24          last years.

25          MR. LERMOND: That's correct and the amount of

1 the contract is 190,000 for the year and this has  
2 been the same for at least the last years.

3 MR. MILLER: And the staff, I take it,  
4 recommends that the contract be approved?

5 MR. LERMOND: Yes, sir. We do.

6 MR. MILLER: Any discussion?

7 MR. SIEGEL: So there are no issues with the  
8 previous contract on anyone's part?

9 MR. PETRAMALO: (Shaking head.)

10 MR. LERMOND: No, sir.

11 MR. MILLER: All in favor, say aye.

12 NOTE: All Commissioners vote aye.

13 MR. MILLER: That contract is approved.

14 Any other stakeholders have anything?

15 MR. STUART: We had a couple thoughts for you  
16 this morning.

17 MR. MILLER: All right.

18 MR. STUART: First, we've been removing the  
19 plywood in the barns back there. I assume that's  
20 with Dr. Harden -- what Dr. Harden and the horsemen  
21 wish to do. It was blocking the ventilation.

22 Jeanne, do you want to explain?

23 MS. BOUZEK: Last year, Dr. Harden talked  
24 about the plywood that we put up years ago for the  
25 loft and recommended that we take it all down, but I

1           guess the talks have gone on between Dr. Harden,  
2           Tyler and JD that we didn't have to take it all  
3           down, so we have done exactly what they've asked  
4           for. We've completed that, but not every piece was  
5           taken down.

6           Have you seen it, Dr. Harden?

7           DR. HARDEN: Yes.

8           MS. BOUZEK: That's what you wanted?

9           DR. HARDEN: This year.

10          MS. BOUZEK: Thank you.

11          MR. STUART: I like that.

12          Okay. Well, with that, this morning, Colonial  
13          Downs wishes to reiterate the request its made for  
14          the last several months.

15          Virginia racing is facing serious problems.  
16          The status quo will not work. We need to make some  
17          changes; we want the Commission to be actively  
18          engaged in that process. By active engagement, we  
19          need individual commissioners to take a personal  
20          interest in the following issues.

21          Standardbred racing. The fact is, live  
22          standardbred racing costs a great deal of money and  
23          has failed to attract a meaningful fan base.

24          The agreement between Colonial Downs and the  
25          Virginia Harness Horse Association expires at the

1 end of the year. The next contract needs to be very  
2 different, from Colonial Downs's point of view.

3 We wish to begin that discussion now. We  
4 continue to explore a new meet and a fair circuit  
5 and will consider any other ideas the horsemen or  
6 the Commission are ready to suggest; however, the  
7 status quo is not an alternative.

8 Lights for the Thoroughbred track. Night  
9 racing appears to be a viable alternative in  
10 Virginia. We're gonna give it a test, if you will,  
11 by trying to do five o'clock this year. That will  
12 deal with the heat and the traffic issues endemic to  
13 summer racing.

14 As we work with the Thoroughbred horsemen, it  
15 would be nice to have a commission voice at the  
16 table, not to bind the Commission, but if there are  
17 concerns, to voice a series of what I would  
18 characterize as unpleasant surprises we received in  
19 the last six months. By that, I mean the following.

20 We sought Commission support for legislation  
21 that would increase handle; namely, the ability to  
22 have more OTB licenses and more racing venues.

23 Not only did we not receive any Commission  
24 backing, in spite of being told the Commission was  
25 not proposing any legislation, we found Mr. Ferguson

1 lobbying for Senate Bill 1333, which was not  
2 proposed by either the horsemen or the track, which  
3 sought to re-divide the proceeds from the ADW  
4 providers.

5 Perhaps Mr. Ferguson did not represent the  
6 Commission; it seems at least to me, which all seems  
7 to be a little unclear. However, what could have  
8 been a clear message to the General Assembly became  
9 extremely muddled as the horsemen and Colonial Downs  
10 combined to lobby strenuously to defeat that  
11 legislation.

12 I've said this before and I will say it one  
13 more time. The issues facing Virginia racing cannot  
14 be solved by redividing the existing handle pot.

15 Surprises continued with race days;  
16 notwithstanding the HBPA and Colonial Downs  
17 presented their joint proposal for 33 race days on  
18 November the 30th.

19 At our March 8th meeting, for the very first  
20 time in three months, the Commission puts forth a  
21 unilateral proposal for 40 days and then proceeds to  
22 improve it. We spend nearly a month undoing that  
23 decision, rather than devoting our collective  
24 energies to growing the pot.

25 Surprises continued in March. One positive

1 piece of positive legislation that the horsemen and  
2 the track were trying to get passed, all of a sudden  
3 faced a last minute challenge in the Governor's  
4 office when the bill was due for signing.

5 Fortunately, the horsemen and Colonial Downs managed  
6 to avert that issue.

7 Finally, when we reached agreement on race  
8 days and purses, Colonial Downs is surprised to  
9 learn that its three-year Thoroughbred agreement has  
10 now been unilaterally shortened to two years and  
11 that future agreements may only be year-to-year  
12 agreements, depending upon the Racing Commission.

13 Hence, we now find ourselves in a legal action  
14 with the Racing Commission in the Richmond Circuit  
15 Court on the brink of devoting resources to a  
16 dispute that doesn't need to be on legal issues that  
17 appear to be well settled, rather than devoting the  
18 same time and attention to growing handle in the  
19 industry.

20 Myself and Colonial Downs are very frustrated  
21 by this turn of events. In my opinion, the last six  
22 months have been nothing but a series of backwards  
23 steps for Virginia racing. We cannot afford to have  
24 the next six months proceed along the same lines.

25 Live racing, both Thoroughbred and harness,



1 has to be significantly different in 2012. We need  
2 a new plan. Economics must be approved. We are  
3 open to suggestions, but have not really heard any.

4 We are willing to make additional investments  
5 such as lights for the turf course and a new harness  
6 track so that we can run a combined meet, but we are  
7 unwilling to do it alone and we are unwilling to do  
8 it on a series of one-year plans. That would be  
9 like investing in constructing a building that sits  
10 on land on which you have a one-year lease.

11 Once again, I invite you to work with me to  
12 find solutions. We can no longer afford to spend  
13 our time rehashing old issues.

14 If you think I'm exaggerating, let's look at  
15 some numbers. We've seen the handle in Virginia  
16 drop significantly for the last four years.

17 In 2007, total wagering at the track and the  
18 OTBs reached a peak of about 168 million. In 2010,  
19 that was 105 million, with a decline of 37 percent.  
20 If you include account wagering, the total handle  
21 was 200 million in 2007, a decline 159 million in  
22 2010; a decline of 21 percent.

23 If you break it down even further, the live  
24 and OTB handling declined \$62 million and the  
25 account wagering handle grew \$20 million.

1           Fortunately, the margins on the two types of  
2           handle are not the same. The horsemen and the  
3           track, divided in various fashions, approximately  
4           14.8 percent of the live OTB handle versus  
5           approximately 8.5 percent of the ADW; a decline of  
6           \$62 million in handle at a 14.8 percent margin is a  
7           loss of 9.2 million in gross margin dollars for the  
8           track and the horsemen.

9           This is off-set by an increase of \$20 million  
10          or a margin of 8.5 percent or \$1.7 million. We were  
11          off as net decline of \$7.5 million in gross margin  
12          handles, dollars that we were getting on live  
13          handle.

14          Declines in handle are nothing new. They are  
15          being experienced all over the country. We have  
16          survived by innovating and cutting costs. For  
17          example, as a result, our payroll is down 23 percent  
18          over the last four years.

19          We cannot go on like this. This is not  
20          sustainable. We have to make changes. Change is  
21          coming all over the country.

22          Look at New Jersey with the Meadowlands. The  
23          state of New Jersey is no longer willing to  
24          subsidize enormous losses. As a result, live racing  
25          is going to be very different in New Jersey.

1           I always proposed moving harness racing to the  
2           fairs. The New York City OTB is gone. The  
3           (inaudible) OTB has filed for bankruptcy. Virginia  
4           racing will either have to make major changes or  
5           it's gonna get swept away with rest of them.

6           Slot machines are not coming and Mr. Jacobs is  
7           not gonna subsidize us forever.

8           Let's talk about how can we can work together  
9           to make live Standardbred racing work, increase the  
10          appeal of Thoroughbred racing, expand our  
11          distribution channel to Northern Virginia, ensure  
12          that we have a sustainable model for horse racing in  
13          Virginia. Colonial Downs would like very much to  
14          work with all the stakeholders to work together to  
15          solve those problems. We have to start now.

16          MR. MILLER: Any other comment?

17                 NOTE: There is no response.

18          MR. MILLER: Any commissioners have any  
19          comments?

20                 NOTE: There is no response.

21          MR. MILLER: Mr. Stuart, we take serious  
22          exception to your statement that the Virginia Racing  
23          Commission told Colonial Downs that we were  
24          proposing no legislation.

25                 The Racing Commission did not consult with

1 Colonial Downs, just as Colonial Downs has never  
2 consulted with the Virginia Racing Commission prior  
3 to introducing legislation.

4 Mr. Ferguson's role is not as Virginia Racing  
5 Commission's counsel. His role is clearly  
6 legislative affairs adviser and liaison for the  
7 Commission.

8 And the Commission has, of course, been  
9 cognizant of the changes in the racing industry and  
10 we've been attempting to move toward meeting the  
11 challenges of no attendance and lesser handle.

12 We have also tried to address the challenge of  
13 expansion of the OTBs. We know we need to get into  
14 Northern Virginia. We need to expand the wager base  
15 in Virginia. We have been working toward that end.

16 We will continue to work toward that end and  
17 as the calendar 2011 progresses, we'll have some  
18 more ideas about how we should address Thoroughbred  
19 racing in Virginia, what kind of races should be put  
20 forward, whether or not we can get the necessary  
21 wagering increases and percentages from the wagering  
22 that's actually made in order to sustain the  
23 industry and to sustain the regulation of the  
24 industry in Virginia.

25 We're going to be working with our new

1 executive director and his staff, executive  
2 secretary and his staff, as we move forward and  
3 we're going to have some recommendations for how we  
4 address racing in the future in Virginia, both  
5 Thoroughbred and Standardbred.

6 We are awaiting the national survey --  
7 national examination or study, whatever you want to  
8 call it -- that's going to be forthcoming from the  
9 Jockey Club meet in August of this year.

10 So we'll have a myriad of ideas. We'll have a  
11 myriad of recommendations as we go forward as the  
12 Commission tries to make Thoroughbred racing  
13 meaningful in Virginia and we are very cognizant of  
14 the fact we have to all work together; the horsemen,  
15 track, tracks, if we get another track, and the  
16 Commission.

17 We have to all work together in the future and  
18 try to sustain the industry and make it profitable  
19 for the people who are running the tracks and make  
20 it beneficial for the horsemen of Virginia and make  
21 it beneficial for the citizens of Virginia; that  
22 they get something out of the fact that they are  
23 willing to have gambling in Virginia and have horse  
24 racing in Virginia and try to go forward on that  
25 basis.

1           So it's not all -- Everyone has to work  
2           together. Everyone has shared responsibilities and  
3           everyone has different thoughts, but we're going to  
4           have to meld those thoughts, because as Benjamin  
5           Franklin said, unless we all hang together, we'll  
6           surely all hang separately and that will surely  
7           happen. Racing will fail in Virginia if we don't go  
8           forward together.

9           I recommend to all of you an article by Andrew  
10          Beyer in the Washington Post this past Sunday; a  
11          very cogent piece of reporting by one of the top  
12          reporters in the country and one of the top experts  
13          in Thoroughbred racing. It's his observation about  
14          the future and about what's wrong and what we need  
15          to do to address the future of racing.

16          And in Virginia, we're going to try to make  
17          Thoroughbred racing pay off for not only the private  
18          investor, but for the citizens of Virginia and for  
19          the horsemen of Virginia. We're gonna try to make  
20          it pay off without slot machines, without roulette  
21          wheels.

22          We're gonna try to do it by convincing the  
23          legislature and this governor and incoming governors  
24          that if you're gonna have gambling in Virginia, it's  
25          not fair to have a preference to the lottery, which

1 is a mindless exercise in wagering.

2 It's not fair to have slots, which is a  
3 mindless wager, or picking a red or black number on  
4 a roulette wheel, which is a mindless wager.

5 We're hoping that we can convince the people  
6 of Virginia that if we're gonna have wagering in  
7 Virginia, it's gonna be based on some kind of  
8 thought process and that ties into betting on  
9 Thoroughbred racing and Standardbred racing, where  
10 you have to take into account athletes, you have to  
11 take into account some ability, you have to take  
12 into account some past history, you have to take  
13 into account whether environmental issues and things  
14 that make a bettor more than just a mindless robot.  
15 That's my thought.

16 Anyone else have anything?

17 MR. STAPLES: Yeah, I do.

18 MR. MILLER: Yes, sir.

19 MR. STAPLES: Amen to what you just said.

20 MR. MILLER: Thank you. I'll give you the  
21 address to my church if you want to attend. Maybe  
22 it'll increase the collections.

23 Yes, sir.

24 MR. D. REYNOLDS: We talked about this for a  
25 good deal of time. A couple years ago, we were

1 going to have a large meeting and ask people from  
2 other states to come and so forth and that kind of  
3 petered out and other discussions kind of just died  
4 on the vine.

5 What do you suggest -- We talked about what  
6 was done this year and last year and so forth, but  
7 what do we do now?

8 MR. STUART: Well, I think what we do now is  
9 -- I appreciate Commissioner Miller's comments.

10 I think what we have to do now is face the  
11 issues, get the group together and talk about  
12 solutions.

13 MR. D. REYNOLDS: What group?

14 MR. STUART: Well, obviously, it's all the  
15 people that have an interest; the commissioners, the  
16 stakeholders, the horsemen, the track, members of  
17 the public. I'm not -- I'm more than happy to have  
18 the group be inclusive, as opposed to exclusive.

19 MR. MILLER: I think I suggested before when  
20 this chair became vacant and I suggested before -- I  
21 think I suggested at the meeting, should show up in  
22 the transcript -- that one of the aspirations I have  
23 as chairman for the balance of this year at least is  
24 that we would put together a group that would work  
25 in concert and try to dovetail our examination with



1 that of the national examination that's taking place  
2 in Thoroughbred racing; that I was going to try to  
3 solicit people to come together as a group to do  
4 this examination, taking what findings we can from  
5 the Jockey Club examination and make it  
6 Virginia-specific.

7 Try to look at some specific issues that we  
8 face here in Virginia, try to come up with a plan of  
9 action for the Commonwealth and it was my intent to  
10 try to get people to -- key people -- from the  
11 stakeholders and from the Commission and from the  
12 staff, from the industry and from the citizenry at  
13 large to serve on a study group.

14 The only hesitancy I have is that  
15 unfortunately, when you put together study groups to  
16 do the study, you pull together information, you  
17 spend a lot of people's time and energy and then it  
18 goes into a file, goes on a shelf and the only thing  
19 it does, it keeps the dust off that portion of the  
20 shelf so you don't have to dust that portion of the  
21 shelf. You just take the file and shake it off  
22 every now and then when someone gets bored and tries  
23 to look at something from the past.

24 In other words, what I'm trying to say is  
25 there's no use doing something unless it can be

1 something meaningful. The only way an examination  
2 of the industry in Virginia or the future of the  
3 industry of the future of Virginia is that as we  
4 study as a group, we have to commit that not only  
5 are we going to study as a group, but we have to go  
6 to the powers that be that control the action; that  
7 being the governor and incoming governor and General  
8 Assembly.

9 We have to realize that every point you study,  
10 every examination that you consider is something  
11 that has to be sold to 140 legislators and to a  
12 governor and his staff; the great majority of which  
13 have absolutely no idea what's going on in Virginia  
14 now and could probably care less about what's going  
15 on in Virginia in the future in the present  
16 environment.

17 So it has to be a study group. It has to be a  
18 group that's willing to be a educational group. It  
19 has to be a group that's willing to be political.  
20 It has to be a group that's willing to show some  
21 backbone and nerve when it comes to confronting  
22 people who control the process in Virginia. That  
23 is, as I say again, the legislature and the  
24 governor.

25 So there's no use for this group that I

1 envision coming together, unless we all take a blood  
2 oath like the mafia when we sit down at the table  
3 that we're doing this. We're all gonna work with  
4 each other, for each other, as a team and a family  
5 against the forces of evil.

6 That's the people that -- That's how we have  
7 to approach it and unless you're willing to do that,  
8 there's no use to spend people's time and energy.

9 Just for an example -- Well, no, I won't go  
10 into that. But there are people in this room who  
11 have spent a lot of time and energy putting together  
12 information. To what end? Because the unified  
13 support isn't there when it's needed.

14 And so if I, for one, as the chairman of the  
15 Commission, and I'm sure my fellow commissioners  
16 here, we're willing to work and we're willing to go  
17 forward and we're willing to be at least the  
18 beginning point to putting together such an  
19 activity, working with the stakeholders, working  
20 with everyone involved, putting together the group.  
21 But as I said, we don't want to do it unless we're  
22 committed that we're gonna fight the battle with the  
23 ammunition that we gather.

24 Mr. Petramalo.

25 MR. PETRAMALO: I have a few comments.

1           It seems to me -- It seems that it would be  
2           fruitful if we kind of defined what our goals were,  
3           what our projects were.

4           Here's what I'm thinking of. There's one  
5           project that we got some traction on earlier in the  
6           year and that is a combined harness Thoroughbred  
7           meet and building another harness track and putting  
8           up lights.

9           The point is, we should have one group focused  
10          on the issue of race days, combining the meet,  
11          reconfiguring the track, et cetera, because that,  
12          you know, that doesn't really require a lot of  
13          outside help. That really is a determination here  
14          as to where we think the two breeds will go forward.

15          The other issue I think fits better into what  
16          you were talking about, Commissioner Miller, and  
17          that is increasing what I call our distribution, our  
18          wagering, our wagering sites.

19          That's where we run into political problems,  
20          not only in the legislature, but even in local  
21          communities and what we're gonna have to do is come  
22          up with a plan of pushing out into Northern  
23          Virginia, where a third of the population and  
24          probably half of the discretionary income is  
25          located, where we have nothing at the present time.

1           But it seems to me it would be best if we  
2           looked at two different problems that needed solving  
3           right away.

4           What I'm fearful of is we'll get a big  
5           committee and it'll take a macro approach to things.  
6           Racing in general. I'm not concerned with racing in  
7           general. I'm more concerned with racing right here  
8           in Virginia and what do we have to do here at  
9           Colonial Downs and what can we do to get more  
10          wagering sites out there.

11          The lottery's got 5,000, last count, sites out  
12          there where you --

13          MR. MILLER: And growing.

14          MR. PETRAMALO: Yeah. You go to any 7-Eleven  
15          and bingo, there it is. Or any gas station. We're  
16          not saying we want to do that, obviously, but  
17          Colonial has got some innovative ideas about  
18          increasing distribution, but it's gonna require a  
19          lot of political help, and quite honestly, I think  
20          it would benefit us if the Racing Commission and the  
21          Commission got actively involved.

22          Now, I don't know what the constraints are  
23          from the governor's office, et cetera, but it would  
24          certainly help when we go around to see the  
25          legislators, both the horsemen and the track if, oh,

1 by the way, the Commission is here saying this is a  
2 great idea, go with it. That would be very helpful.

3 MR. MILLER: Your points are well made, Frank,  
4 and I don't think it's any secret that the  
5 Commission's hands from a political standpoint,  
6 taking a position on issues, the Commission's hands  
7 have been tied until this present governor came into  
8 office.

9 I've got to give credit to this governor. At  
10 least from what I understand, he indicated -- I'll  
11 have to check with our former chairman to make sure  
12 about the conversation.

13 But anyway, my understanding was that it was  
14 okay for the Commission to engage in communication  
15 regarding various issues relating to racing,  
16 relating to what we do here.

17 In the past, we were admonished to not take  
18 public positions. So that's why I think, at least  
19 since I've been on the Commission, that's why in the  
20 past, up until just very recently, the Commission  
21 has not been able to go out and try to be supportive  
22 or non-supportive either way regarding the various  
23 issues that have come before the General Assembly or  
24 even local governors, because we were not to take  
25 public positions.

1           It's my intent as we go forward, we will be  
2 working as a Commission and with our staff to  
3 clarify what our role will be in the future and we  
4 certainly want to be more active.

5           We want to be able to do whatever we can to  
6 make this work, because as these figures show and if  
7 you read any news -- I read an interesting -- Not to  
8 digress too far, but I read an article in the  
9 Smithsonian magazine about something crazy that  
10 happened in 1961 at some race track.

11           It was during the week. There was 24,000  
12 people at the race in 1961. The race where the guy  
13 went out on the track. You know, the guy bolted out  
14 onto the track during a race, a mentally deficient  
15 -- Well, he had to be mentally deficient. But  
16 anyway, he ran onto the track. They said there were  
17 24,000 people in the stands on that day in 1961.

18           Well, in 1979 or '80, that race, that  
19 particular race that used to draw standing room only  
20 crowds, that race ran no more because nobody ever  
21 came and that's just a manifestation of what's  
22 happening industry-wide all over the nation.

23           So no, we do want to work and we're going to  
24 be -- our new executive secretary, our deputy  
25 executive secretary and the staff, we will be coming

1 up with some plans to -- as we go forward in 2011.

2 And as I said, if we're serious about putting  
3 together a group, and as you said, it should maybe  
4 be a multifaceted or a segmented group; one to  
5 address the issues that really don't require much  
6 political support. It's a matter of within the  
7 industry, what do you do within the industry with  
8 the powers that you already have to make the product  
9 a better product. Then other things to expand the  
10 wagering base and try to do what we can to get more  
11 public support.

12 So it could be that we'll have a committee or  
13 a couple of subcommittees that work on separate  
14 tracks and then eventually come together with a good  
15 plan.

16 Just like a business plan. Mr. Siegel, when  
17 he starts a business, I'm sure he sits down and  
18 works out a business plan. Mr. Reynolds -- both  
19 Reynolds.

20 Me, I was never a success in business because  
21 I was just a lawyer. But you know, I'm being light  
22 about it, but we do, we need a business plan for  
23 going forward.

24 MR. D. REYNOLDS: Business plan defining what  
25 we're gonna end up with, too.



1           MR. MILLER: Yeah. That's what a business  
2 plan has to do. I mean you have how to approach the  
3 objective and then what is the objective and what  
4 will the objective be after we've tried our  
5 approach. And frankly, if it looks like it's going  
6 to be a losing proposition, no matter what you put  
7 in to it, maybe, you know, you just decide we won't  
8 make that investment.

9           But I feel that -- I just feel that if we  
10 could just break through the closed mind set of some  
11 people in this state, that we could be very  
12 successful with Thoroughbred racing and Standardbred  
13 racing, perhaps, in Virginia.

14          MR. D. REYNOLDS: I'm interested in getting  
15 something going.

16          MR. MILLER: Well, I'm gonna make you the  
17 chairman.

18          MR. S. REYNOLDS: All in favor?

19          MR. MILLER: We will get something going by  
20 the next meeting on May the 24th. Maybe we'll have  
21 a broad outline of some kind of plan of action that  
22 we can then flesh out with the stakeholders, any  
23 other members of the public that want to contribute  
24 in the input, other people from the staff and so  
25 forth that we can then flesh out this to try to go

1 forward.

2 Of course, we have the meet coming up. That's  
3 going to be very time consuming and that's the main  
4 priority now, is to have this Thoroughbred meet  
5 that's coming up be a success. We want to try to do  
6 some innovative things there, too, hopefully, if I  
7 can get some more -- Well, many things to make the  
8 meeting a success. Anything else?

9 NOTE: There is no response.

10 MR. MILLER: As I said in a stage whisper to  
11 the left, some of this has to do with -- Well, it  
12 has to do with things that we'll have to discuss in  
13 a closed meeting, you know, how some of this stuff  
14 we'll have to pull together. We'll have to see  
15 where we stand from a legal standpoint.

16 Okay. Any other public -- Anyone from the  
17 public in general, other than the stakeholders that  
18 wish to make any comment?

19 MR. STAPLES: Yeah, I'll say one thing.  
20 You're on the right track. Horse racing is not in  
21 as bad a shape as people are saying it's in, either,  
22 everywhere.

23 You can look at Gulf Stream for one, and you  
24 know, sure they're doing it with the slots, but I  
25 think we need to hammer down on South Hampton Roads

1 more to get people up here to the track.

2 Chesapeake's the number one OTB now in handle  
3 and there's a large segment of people down there  
4 that just don't know anything about it. It's simply  
5 exposure. I mean I said it last month. Exposure,  
6 exposure, exposure.

7 But I think you're on the right track now.  
8 I really do. Not that my opinion means anything.  
9 We appreciate it, too, hearing what you're saying.

10 MR. MILLER: Well, everyone's opinion is  
11 meaningful, especially when you're in a group that's  
12 trying to put together something that everyone has  
13 to pull together to try to make it work.

14 Well, having no further public comments, our  
15 next meeting is scheduled for May the 24th. Is that  
16 all right with everyone? Anyone have any problem  
17 being here May the 24th?

18 MR. SIEGEL: We are gonna move to ten a.m. on  
19 all future meetings?

20 MR. MILLER: Well, ten a.m. I actually got  
21 here at 9:25 today, so I could have started at 9:30.

22 MR. SIEGEL: I think you were the one that  
23 made the suggestion.

24 MR. MILLER: Yes, ten o'clock.

25 MR. SIEGEL: I'm good with 9:30 or ten, but --

1           MR. MILLER: Is ten o'clock okay or do you  
2 want to move it back? It doesn't make any  
3 difference to me.

4           MR. SIEGEL: I think for most of us, at least  
5 for me, 9:30 works better because --

6           MR. MILLER: Takes less out of the end of the  
7 day.

8           MR. SIEGEL: It does. You get the other half  
9 of the day, but you have to come the furthest.

10          MR. MILLER: That's all right.

11          MR. SIEGEL: I'm certainly willing to go with  
12 ten o'clock, if that's your preference.

13          MR. MILLER: No, 9:30 will be fine with me.  
14 We'll go to back to 9:30, as long as you're here on  
15 time.

16                 As you noticed this morning, I'm gonna  
17 start -- when I say 9:30 -- you know, Vince  
18 Lombardi, when he said 9:30, he meant 9:15. I'll  
19 give you the benefit of the doubt. When I say 9:30,  
20 I mean 9:30.

21          MR. SIEGEL: Well, Mr. Petty's the only one  
22 that strolls in late.

23          MR. PETTY: It doesn't matter what time you  
24 have it. If it's at 10:30, I'm not going to make  
25 it. I'm that guy. So you guys run it when you need

1 to run it and I'll try not to miss what's important.

2 MR. MILLER: Well, 9:30 will be fine.

3 MR. PETTY: I blame my children.

4 MR. MILLER: We'll go back to 9:30. My brief  
5 experiment at ten a.m. is a doomed failure. My  
6 first action as chairman was a failure.

7 MR. PETRAMALO: Things will pick up.

8 MR. SIEGEL: They have to.

9 MR. MILLER: Well, that's why I say that,  
10 because there's nowhere to go but up.

11 We're gonna go into a closed meeting. Now,  
12 I'll make the same comment we made last time we had  
13 a closed meeting.

14 We're not gonna go into a closed meeting and  
15 then come back here and deal with anything  
16 substantive, undo anything that we've done before.  
17 All we're gonna do after the closed meeting is come  
18 back in here for purposes of a formal adjournment;  
19 however, you're welcome to stay.

20 If you just want to visit, as they say network  
21 while we're in our closed meeting, our closed  
22 meeting won't take that long, so you are welcome to  
23 stay if you want, but we will not deal with  
24 anything, unless if you think of something while  
25 we're in our closed meeting that you think we should

1 take up, we could, of course, come back in and take  
2 up something substantive, but otherwise, we will  
3 not.

4 Okay. In accordance with the provisions of  
5 Sections 2.2-3711(a)(1), and Sections 2.2-3711(a)(7)  
6 of the Code of Virginia, I move that the Commission  
7 go into closed meeting for the purpose of discussion  
8 or consideration of the assignment, appointment,  
9 performance or salary of a specific public officer,  
10 appointee or employee of the Commission and for the  
11 purpose of consultation with legal counsel employed  
12 or retained by the Commission regarding specific  
13 legal matters requiring the provision of legal  
14 advice by such counsel.

15 Do I hear a second to that?

16 MR. SIEGEL: Second.

17 MR. D. REYNOLDS: Second.

18 MR. MILLER: Motion carries. We'll go into a  
19 closed meeting and thank you all very much for your  
20 attendance here today.

21 NOTE: The hearing observes a recess at  
22 11:10 a.m.; thereafter, the hearing reconvenes  
23 at 12:17 p.m. as follows:

24 MR. MILLER: I move the adoption of the  
25 following resolution:

1           WHEREAS, the Virginia Racing Commission has  
2 convened a closed meeting on this date pursuant to  
3 an affirmative recorded vote and in accordance with  
4 the provisions of the Virginia Freedom of  
5 Information Act;

6           And WHEREAS, Section 2.2-3712 of the Code of  
7 Virginia requires a certification by this Commission  
8 that such closed meeting was conducted in conformity  
9 with Virginia law;

10           NOW, THEREFORE, BE IT RESOLVED, that the  
11 Virginia Racing Commission certifies that, to the  
12 best of each member's knowledge, (i) only public  
13 business matters lawfully exempted from open meeting  
14 requirements under the Virginia Freedom of  
15 Information Act and (ii) only such public business  
16 matters as were identified in the motion convening  
17 the closed meeting were heard, discussed or  
18 considered by the Commission in the closed meeting.

19           All in favor of the resolution. Mr. Sarge  
20 Reynolds.

21           MR. S. REYNOLDS: Aye.

22           MR. MILLER: Mr. Dave Reynolds.

23           MR. REYNOLDS: Aye.

24           MR. MILLER: Mr. Stuart Siegel.

25           MR. SIEGEL: Aye.

1 MR. MILLER: I vote aye.

2 Anybody have any other business to come before  
3 the Commission?

4 MR. LERMOND: Mr. Chairman?

5 MR. MILLER: Yes, sir.

6 MR. LERMOND: I'm not so sure that we didn't  
7 approve the minutes from last month's meeting  
8 earlier.

9 MR. SIEGEL: We did, but he was sitting over  
10 here and I moved and he accepted.

11 MR. LERMOND: Thank you.

12 MR. MILLER: We did it down at that end of the  
13 table.

14 MR. LERMOND: You threw me off when you moved  
15 down there.

16 MR. SIEGEL: We did it in secret.

17 MR. MILLER: Okay. I move that we adjourn  
18 until May 24th, 2011.

19 MR. SIEGEL: At 9:30 a.m.?

20 MR. MILLER: At 9:30 a.m. All in favor?

21 MR. S. REYNOLDS: Aye.

22 MR. SIEGEL: Aye.

23 MR. MILLER: Okay. Thank you all.

24 NOTE: The hearing is then adjourned at  
25 12:19 p.m.



## 1 CERTIFICATE OF COURT REPORTER

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

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

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Given under my hand this 9th day of May, 2011.

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**SANDRA G. SPINNER**

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**COURT REPORTER**

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