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

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

MR. SIEGEL: I move they be approved.

MR. BURNETT: Do we have a second?

MR. BROWN: I second it.

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

All in favor indicate by saying aye.

Note: (Aye.)

MR. BURNETT: Motion carries.

Commissioners comments. Gentlemen, any comments?

The only comment I would make is that it's derby week, and I learned this morning from Iain Woolnough that we've lost our favorite in the derby, which is unfortunate, although it makes for a very interesting betting race and it should make for lots of interesting analysis this week. I did read, I think, in the Blood Horse that ESPN's derby trail coverage is up about 35 or 37 percent over last year, which is kind of a nice thing to read. So let's hope for that.
Also, Vic Harrison, our executive secretary, sent, I think, the commissioners a very interesting article, which I would encourage him to distribute to other stakeholders, about the agreement between Connecticut OTBs and one of the tote companies, where the tote company comes in and pays some rent and puts in the equipment, I think, and runs an OTB much like the Finn McCools that we're talking about today, later.

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

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

MR. HARRISON: Sure. Will do.

MR. BURNETT: Any other comments based on the
few I've made?

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

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

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

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

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

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

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

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

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

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

MR. PETRAMALO: I feel very much alone.

MR. BURNETT: You also should feel slighted.
MR. PETRAMALO: Well, I always feel slighted.

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

MR. PETRAMALO: I second that nomination.

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

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

All in favor?

Note: (Aye.)

MR. PETRAMALO: Thank you.

MR. BURNETT: You have a lifetime appointment.

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

MR. BURNETT: So far.

MR. PETRAMALO: Good.

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

All right. We'll move on to the next one.

Paragraph (E) of 11VAC10-60-70. The purpose of this is to be clear about the suspension that -- other jurisdictions use a 15- or 30-day rule. I think in the committee hearing -- Dave, I'll invite you to jump in and Vic, if I misstate anything, but I think that the feeling of the group was that our stewards
have enough discretion that they can make the
punishment fit the crime and that any suspension of
ten days or more, since most of them would be
significantly more based on our offense roster, that
these would be appropriate consequences.

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

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

MR. BURNETT: I'm sorry.

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

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

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

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

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

MR. BURNETT: Right.

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

MR. BURNETT: That's the intent.

MR. PETRAMALO: Right.

MR. BURNETT: No kickbacks.
MR. PETRAMALO: If I happen to have some other horses that stay in my stable that aren't racing and I'm charging rent for them, I'm allowed to benefit financially, correct? As long as they're not racing?

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

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

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

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

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

MR. BURNETT: Okay. I agree.

MR. PETRAMALO: I guess what I was not contemplating was throwing the trainer and his horses off of the property. I understood that.
horses that were in racing, that were racing, if they wanted to race during the time of the suspension would have to be transferred to another trainer, he would have no contact with those horses nor would he benefit financially.

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

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

MR. BURNETT: Out you go.

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

MR. PETRAMALO: Right.

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

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

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

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

MR. PETRAMALO: Huh.

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

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

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

MR. SIEGEL: At this racetrack.

MR. BURNETT: At this racetrack, right.

MR. PICKLESIMER: Any racetrack.

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

MR. PETRAMALO: Any racetrack. That's pretty harsh. Why is it that you reduced from the proposed 30 days back to the original ten? The first rule
that I saw proposed changing that from ten days to 30 days, and that didn't go through the committee?

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

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

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

MR. PETRAMALO: Yeah.

MR. BURNETT: From my opinion, I mean, most trainers are pretty hard working and don't go on
vacation very often, but when they do, it clicks
right along just like a regular stable. The guy
gets a nice vacation and that's that because they've
got good assistants or barn foremen and all that.

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

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

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

    MR. BURNETT: Ten days or more.

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

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

    Now, how -- why that should put somebody out
of business is beyond me.
MR. BURNETT: Well, it puts them out of business for a short time. The next time they'll be more careful. Just don't be using that stuff. And the sedative helped him or he wouldn't have used it.

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

MR. BURNETT: Sure.

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

MR. BURNETT: Right.

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

MR. BURNETT: Correct.

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

MR. BURNETT: I think we should be harsh on medication issues. That's just my view. I'm very harsh on medication. I'm a hay, oats, and water guy. I just think it's got no business, and we've got a wonderfully clean meet here. We hardly ever have any medication violations, and I think if someone gets themselves in that kind of a pickle, we ought to be making an example of them. We should tell the world that we're clean of drugs since most
racing fans think otherwise as it stands now.
That's just my view. These folks may agree with you.

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

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

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

MR. SIEGEL: It may not draw a suspension.

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

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

MR. BURNETT: Hold up.

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

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

MR. BURNETT: Correct.

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

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

MS. RICHARDS: Me either.

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

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

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

This was what prompted us to look at this 10-day rule because all of the recommended penalties are 15 days or more. So if you go with the recommended penalty, which we were trying to do to get uniform state regulations, then you're locked
into a 15-day suspension for somebody for a violation. Although it's not a -- you know, it's not as severe as -- it's not a mortal sin as opposed to a venial sin, I mean, if you want to look at it that way.

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

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

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

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

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

MR. PETRAMALO: Cupcakes and jokes is the fee.

MS. RICHARDS: That was just my question about this language for extenuating circumstances. I know my horses every month, the blacksmith won't shoe them without dormosedan and that adds another 30 bucks onto my shoeing bill every month, but that's the reality. And in this economy, you talk about putting someone out of business, you're going to put them out of business perhaps forever. I mean, that's -- which maybe in some cases it really is justified, but I'd hate to see that happen for a dumb mistake.
MR. LERMOND: Maybe the RMTC needs to look at category B in the future and see if they can't break it down farther, then we could adjust our penalties accordingly, but right now we're stuck with category B as the RMTC sees it.

MR. BURNETT: Well, I think --

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

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

Paragraph (S)(1) of Section 11VAC10-60-120 is a change from seven pound overweight to a five pound overweight, which puts us in line with other jurisdictions. I don't think there's anything more to it than that, is there, Dave?
MR. LERMOND: No. And also elsewhere in our regs it states five pounds, so we'll be consistent with this change.

MR. BURNETT: Any questions on that one?

MR. BROWN: No.

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

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

MR. PICKLESIMER: Just weight.

MR. BURNETT: That's set forth elsewhere.

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

MR. BURNETT: The simplified language suggested in VAC10-110-100 is simply that the request for claiming the weight penalties and weight allowances for thoroughbreds and quarters horses shall rest with the trainer. I've suggested that we remove for thoroughbreds and quarter horses. We know we're talking about any horse that needs a declaration of weight, penalties, or allowances. So I think it could be simplified to simply say, "The responsibility for claiming the weight penalties and weight allowance shall rest with the trainer." It's simply more trainer responsibility. Any questions
Paragraph (7) of 11VAC10-110-180, this is the attempt to simplify calculating how long a horse has to wait to run again, and two things have to take place. The horse has to come off the veterinarian's list. This is run again after being excused or scratched. The horse has to come off the veterinarian's list and the time period has to expire.

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

I have suggested that we put the vet's list language first following the word -- hold on. Following the word until on the second line such that it would read, "Shall not be permitted to race again until the horse has been removed from the veterinarian's list by the commission veterinarian and the expiration of six calendar days following the day on which such horse was scratched or
excused." So there's no confusion that you measure the six days from the date of scratch, not from the date he was released by the veterinarian. Any comment on that?

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

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

MR. WEINBERG: I concur with Mr. Petramalo.

MR. BURNETT: Dang, I got it right. Good. All right. Any comment on that one? Any English majors want to weigh in and disagree with us?
is who can touch the horse in the paddock, and it simply adds the commission vet to the list of permitted individuals to touch the horse.

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

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

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

DR. HARDEN: Right.

MR. BURNETT: Does that make sense, Dave?

MR. LERMOND: Yes, sir.

MR. BURNETT: That's a good point. Assistant
trainer. Can see the trainer for purposes of being in the paddock.

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

MR. LERMOND: Uh-huh.

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

MS. RICHARDS: Or the valet.

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

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

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

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

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

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

MR. BROWN: Or employee thereof.

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

MR. PETRAMALO: Robin points out --
MR. BURNETT: Doc, are you okay with that?

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

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

MR. PETRAMALO: In the paddock.

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

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

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

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

MR. PETRAMALO: Right. Right.

DR. HARDEN: But tongue ties can be an abuse, and we have to be aware of that. I'm off the soap
MR. BURNETT: It's a sister thought to hay, oats, and water in training a horse. Hey, if you can't get it on in the paddock, you can give them a tranquilizer. Sorry, Frank.

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

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

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

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

MR. BROWN: You need a new horse.

MR. BURNETT: Or trainer or both.

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

MR. BURNETT: All right. Any comment on that
one?

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

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

MR. LERMOND: You can scratch next.

MR. HARRISON: You can delete it.

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

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

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

MR. BOUZEK: Yes.

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

Any comment on that?

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

MR. BURNETT: You can't.
MR. BROWN: How are you going to police this?

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

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

MS. RICHARDS: No, steroids.

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

MR. BURNETT: The concern is that not only is it not good for the horse, it may well be dangerous because of the masking effect.
DR. HARDEN: That's a concern, yes.

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

MR. BROWN: I guess we keep it there.

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

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

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

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

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

MR. BURNETT: That's what I mean, permanence.
DR. HARDEN: This could be chemical nerving, and it could be temporary. It could last two hours. It could last weeks.

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

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

MR. BURNETT: Or not intended to be.

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

MR. BURNETT: Okay.

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

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

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

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

MR. BURNETT: That's L. Right below K, the peri-neural.
MR. BROWN: How is this policed?

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

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

MS. RICHARDS: Fair Hill.

MR. BROWN: Who does?

MS. RICHARDS: Fair Hill.

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

MR. PETRIMALO: I'll find it. Our pages are --

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

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

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

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

MR. BURNETT: I think it was originally -- in
humans was used where there was a compartment syndrome, and the vascular syndrome was compromised such that it couldn't bring oxygen and another healing cells to the wound site. And so to get the oxygen there and reduce necrosis, they put them a hyperbaric chamber. Is it by osmosis that somehow the oxygen gets there and doesn't rely on the vascular system to carry the oxygen to the site?

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

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

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

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

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

MR. LERMOND: Yes, sir.

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

MR. PETRAMALO: How come this is repeated?

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

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

DR. HARDEN: Historically, this was added into the medication section several years ago by Stan, who wanted to ensure that a trainer that was
suspended was truly suspended, and at the time we were thinking that the other rules had to go through the full legislative process to get changed. Whereas, the medication rule was quick and easy. I think that was the purpose this was inserted.

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

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

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

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

MR. PETRAMALO: We ought to do that again, by the way, because we changed the Bute rule last year
from five to two, but the book has still got five in it.

    MR. BURNETT: Yeah.

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

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

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

    MR. PETRAMALO: Right.

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

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

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

DR. HARDEN: Yes. Yes.

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

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

MR. PETRAMALO: Permissible, right. Right.

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

MR. PETRAMALO: Right. That's correct.

MR. BURNETT: I think that's what it does. I mischaracterized it based on the notes here what the effect is. It really is to stop stacking, and designers are prohibited anyway as you pointed out. So as written, the new language under D, does that
create any problems for anybody?

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

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

MS. RICHARDS: Yes.

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

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

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

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

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

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

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

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

MR. BURNETT: It is correct?

MR. PETRAMALO: Yep.

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

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

MR. BURNETT: Right. So then we're going to 11VAC10-180-100. This is, if I'm not mistaken,
permits the -- well, maybe I'm wrong here. This is
the notification of the stewards rule such that if
stewards want to see it, they can ask for it, but it
relieves the veterinarian of having to inform the
stewards who may well have gone home at the time he
makes a decision about who's going to be collecting
the sample in the stall. What it substitutes is the
keeping of a log so that the stewards know what was
done even though they may have gone home. Any
issues with that?

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

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

11VAC10-180-110, essentially is an effort to
save the trees, is it not?
DR. HARDEN: Basically.

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

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

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

MR. PETRAMALO: Right.

MR. BURNETT: Any issues with that?

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

All right. Those are all the changes.
MR. PETRAMALO: I take it then that the prohibition on split samples for bicarbonate testing is not being changed.

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

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

MR. BURNETT: Okay.

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

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

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

Now, the reason it requires two tubes is that
each tube at the lab goes through three trials. So there are six trials on each sample, three from each tube. All six must be over 37 millimoles before the lab will call it a positive. So we're building in a huge fail safe factor in the primary testing and eliminating the secondary testing.

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

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

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

MR. BURNETT: Three each.

MR. PETRAMALO: -- with the same process?

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

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

DR. HARDEN: First off, pre-race testing is required on all graded stake races, and it is related to the physiology of the bicarbonate in a
horse's system that the -- if you administer bicarbonate, which is prohibited, the horse's TCO2 level rises, but when he exercises, he breaks out into a sweat and he's breathing hard, the mere act of panting, breathing hard lowers the TCO2 in the system, and then after the race it will build back up again, probably -- ideally about three hours or so post-race. Trainers and owners and everybody just raise too much of a squawk to keep a horse in a test barn for three hours to test for TCO2. So we've been doing it one hour. That's a marginal time frame to detect the use of TCO2. So pre-race is considered a more valid indicator.

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

DR. HARDEN: No, 37.

MR. PETRAMALO: Okay.

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

DR. HARDEN: No. Pre-race, we're establishing the -- what is administered, what that horse's condition is prior to the race. You do create a conundrum, though, if that horse races and does not go to the test barn afterwards and that pre-race
test is high, what do you do? The rules don't state that he can't have 37 millimoles pre-race. He can't race on 37 millimoles. So you really don't -- you're probably going to lose the Court battle.

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

MR. BURNETT: That's for another day.

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

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

MR. BURNETT: I haven't proposed it.

MR. PETRAMALO: You haven't.

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

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

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

    MR. BURNETT: Including amendments today?

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

    MR. SIEGEL: Second.

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

All in favor indicate by saying aye.

    Note: (Aye.)

    MR. BURNETT: It carries unanimously.

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

    MR. LERMOND: Yes, sir.

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

    Will there be the standard go over the rules
meeting with trainers when they come?

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

MR. LERMOND: The stewards will do that.

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

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

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

MR. BURNETT: A different color for sure.

MR. LERMOND: Right.

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

MR. HARRISON: Thank you, Chairman Burnett. The first item I wanted to discuss was the recent Association of Racing Commissioners
International Annual Conference in Lexington, Kentucky.

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

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

The other hot button topic was the broader National Racing Compact or the NRC. Currently, Virginia is a member of the NRC, in fact, a founding member, but the legislation on our books now is
narrow and specific to a licensing compact. So we would have to propose 2011 legislation to broaden the compact that would allow Virginia to act together with other states to jointly create rules and programs. It's otherwise hard to create uniform rules needed for the horsemen who compete in several states, especially regionally.

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

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

So right now the National Racing Compact exists for licensing, but the broader compact, it's
gaining momentum. It was newsworthy during the
conference and covered by all the major industry
publications, and right now as the executive
director of Delaware mentioned at the conference,
this broader compact really is what you want it to
be at this point. I think the point is to get
membership, create membership, and then establish
tougher rules, stronger rules, and a real
infrastructure to tackle the harder issues.

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

MR. PETRAMALO: No.

MR. HARRISON: -- opinion?

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

MR. HARRISON: Right.

MR. PETRAMALO: It's an uphill battle.

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

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

MR. BURNETT: Sure.

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

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

MR. PETRAMALO: That's correct.

MR. BURNETT: -- and now we don't have
uniformity.
MR. PETRAMALO: But if he does, Virginia is stuck with it even though three of the commissioners might think it's a bad idea.

MR. HARRISON: That's not my understanding.

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

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

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

MR. BURNETT: I know it. Frank, you brought the health care reform cards, you know. Maybe we'll
get a compact card. Anyway, we'll see where it ends up. I think there's such vehement opposition to federal intervention of any sort and any tinkering with the Interstate Horse Racing Act that we're going to cripple along with this compact and maybe in about ten years, we'll see if it works or not.

Sorry, Vic, do you have more for us?

MR. HARRISON: Yes, I do.

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

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

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

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

MR. PICKLESIMER: Correct.

MR. PETRAMALO: Is that right?

MR. HARRISON: Right.

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

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

MR. SIEGEL: I'll move it.
MR. BURNETT: The chair seconds. All in favor indicate by saying aye.

Note: (Aye.)

MR. BURNETT: Officials list is approved as submitted.

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

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

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

MR. BROWN: I'll make a motion.

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

Note: (Aye.)

MR. BURNETT: Wagering format is approved.

MR. HARRISON: Jeff has also submitted an
enclosed list of about 150 guest sites that were wagered on in the thoroughbred meet here. There are new guest sites, which we are currently scrutinizing, and those sites would be Charlson Broadcast Technologies, Racing The World, and Sun Ray, which is a racetrack in, I believe, Arizona, and we are good with some -- we're still doing some background investigating on Charlson Broadcast Technologies and Racing The World. So I would ask that the Commission approve the list as submitted by Jeff with the exception of Charlson Broadcast Technologies and Racing The World, and then perhaps grant the executive secretary the authority after we complete our investigation to approve those two.

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

MR. REYNOLDS: So move.

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

Note: (Aye.)

MR. BURNETT: It's been moved and approved.
Thank you.

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

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

MR. HARRISON: They do. They all do.

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

MR. HARRISON: All currently certified.

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

MR. LERMOND: That's correct.

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

MR. HARRISON: That's correct.

MR. BURNETT: All right. Do we have a motion
to approve the proposed stewards for the 2010 meet?

    MR. REYNOLDS: So move.

    MR. BROWN: Second.

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

All in favor indicate by saying aye.

    Note: (Aye.)

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

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

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

    MR. WEINBERG: No.

    MR. BURNETT: Thank you.

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

MR. BURNETT: Thank you.

Next item?

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

At last month's meeting, Greg Scoggins from XpressBet made a presentation to the Commission on
MI Developments taking ownership of XpressBet and XpressBet becoming a LLC and adding -- the addition of two new officers. Our background investigations are currently being conducted on the two new individuals. Since this -- we are not requiring a new application, this does not rise to the level of an informal fact-finding conference so the Commission need not take action.

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

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

MR. HARRISON: That's correct.

MR. BURNETT: Thank you.

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

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

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

MR. SCOGGINS: I can give an update as it relates to the MID/MEC bankruptcy plan hearing if
that's what you're interested in.

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

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

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

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

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

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

MR. SCOGGINS: My pleasure. Thank you.

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

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

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

MR. BURNETT: All right.

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

I'm anticipating conservatively that the total breakage would be -- this year would be about $135,000, which is less than last year for two reasons. One, the wagering is dropping off at the
OTBs; and secondly, there seems to be a migration from wagering at the OTBs to wagering on-line. When the latter occurs, we do not get any of the breakage from on-line wagering.

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

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

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

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

Iain?

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

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

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

We also understand that the thoroughbreds have far more people back there than we do. So we're not necessarily it should be that 53/47, which comes out on the eight to seven weeks. It should be a more equitable division on that because the standardbred industry, they have the same rights as everybody else. The same people back there, the same needs.
When we look back and we question last year on some of the things that were originally put in there, one was the turf track fertilization, which the Commission took out, another one was the training on the starting gate or the ambulance, the Commission took that out. There was a large amount in there for the jockey's insurance. We were too close to that meet to really make a big fight over that and we let it go, but I believe at that point in time they said it would not be included in the following budgets and it shows up again.

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

This year everything has gone down. We know that. Everything is tightened up, but we have needs also. That's what we want. We basically tried to discuss it with Frank, and he's holding his hat on the 80/20, which we feel does not apply here.
MR. BURNETT: Any other comments at this point? Vic?

MR. HARRISON: Yes, Chairman.

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

MR. BURNETT: Well, the really good news I think from a starting point on all this is that the horsemen have acted like horsemen and jointly share this building and lots of other features on the
backside that all have worked together to make for a high-quality backside here in Virginia.

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

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

Certainly, the thoroughbred folks have got a meet coming right at them, and they need some
guidance from us as to what we can approve. Is there a way we can take care of the thoroughbred backside's needs and at the same time preserve adequate funds for the harness horsemen and discussion of future items? I'm trying to maintain the status quo without hurting somebody.

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

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

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

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

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

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

MR. PETRAMALO: I'm not sure what you're proposing.
MR. WOOLNOUGH: That we turn around and own them.

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

MR. WOOLNOUGH: Yes.

MR. PETRAMALO: -- and maintain them?

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

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

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

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

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

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

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

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

MR. BURNETT: Hard on things.

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

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

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

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

MR. BURNETT: Obviously.

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

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

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

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

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

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

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

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

MR. BURNETT: Twenty-fifth.

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

MR. SIEGEL: Good.

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

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

MR. WOOLNOUGH: We put the meters back on.

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

MR. BURNETT: Lawyers pay.

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

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

MR. SIEGEL: Use this card, Frank.

MR. PETRAMALO: There you go.

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

MR. PETTY: Yes, sir.

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

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

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

MR. PETTY: I promised my wife and my children and my attorneys I wouldn't speak if there was a TV camera here.
MR. BURNETT: They've got it turned off.

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

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

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

MR. BURNETT: Did a little bit better.

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

(Phone rings)

MR. SIEGEL: That's your wife.

MR. BURNETT: She caught you.

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

MR. BURNETT: I understand the contract is
$191,000 as it was last year?

MR. PETTY: 190.

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

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

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

MR. BROWN: So move.

MR. SIEGEL: Second.

MR. BURNETT: It's been moved and seconded that we approve the proposed management contract.

All indicate by saying aye.

Note: (Aye.)

MR. BURNETT: Motion carries unanimously.

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

MR. BURNETT: Please.

MR. PETTY: -- we're sending out 90 some year-end breeders and stallion awards today. We do have one that the Commission received a tax levy on from the IRS, and unfortunately, it's not so simple. The person has multiple entities and multiple horses. So what we're in the process of doing -- Vic, you'll probably get this tomorrow, is just getting all the registration, W-9s, and all the
information available. I'd like your attorney to
look at it. The IRS is looking at it before we
decide exactly what to do, but I just wanted the
Commission just to be aware of it. We've got one
that we're juggling a little bit because of that
little twist.

MR. BURNETT: All right. Thank you.

MR. PETTY: Thank you.

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

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

Seeing none, we'll move to the next meeting.

Any problem with May 25th?

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

All right. Then we stand adjourned as to our
regular meeting and would my fellow commissioners
agree that eleven-fifteen is approximately eleven-thirty, which is how our informal fact-finding was advertised? It was advertised as immediately following the adjournment of our regular meeting at approximately eleven-thirty. Any reason why we can't start on the informal fact-finding?

We'll do that.

MR. BROWN: Take a break.

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

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

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

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

The agenda will be as follows: The applicant including witnesses will be allowed one hour for initial oral presentation. I'm told that this particular application won't require that much time. Any time not utilized in the initial oral presentation may be reserved at the discretion of
the applicant or in addition to the standard 20
minutes for summation or rebuttal at the conclusion
of the conference.

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

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

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

MR. WEINBERG: I'm Jim Weinberg appearing on
behalf of Colonial Downs. Ian Stewart sends his
regrets. I spoke with him briefly this morning. He
sounded very contagious so I think we're all better
off, but unfortunately he is not with us.

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

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

In addition, Colonial Downs and Stansley Racing have satisfied all the prerequisites that are outlined in Sections 378 and 382 of the Virginia Racing Act through its operation of the racetrack
and its operation over the last 13 years.

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

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

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

Just to describe briefly the operations of the satellite facility at Finn McCools, you have
received an application and a very thorough and complete staff report. So rather than review that staff report again, what I would like to do is highlight the uniqueness of the operation at Finn McCools as compared to the existing eight satellite facilities.

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

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

Additionally, Colonial Downs will employ walkthrough tellers to service Finn McCools patrons in other parts of the building and in the patio area. Programs will be sold through the kiosks and through tellers, who will be able to access daily
Finally, and perhaps most important, Finn McCools represents an effort to bring horse racing to a new clientele. As you may be aware, Finn McCools is located at the entrance to Innsbrook, an 800-acre office park at which approximately 22,000 people work every day.

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

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

As an experiment, we would ask the Commission's flexibility in how we go about setting certain parameters of its operation. For example, we have typically discussed setting hours of operation and providing the Commission a fairly
fixed schedule of those hours of operation on a monthly basis. As we begin with Finn McCools, we'd like some flexibility in setting those hours of operation dependent upon the demand that we see for the services.

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

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

I'm happy to pause here for any commissioner
questions regarding the application or the staff report.

MR. BURNETT: Any questions, gentlemen?

MR. BROWN: I'm good right now.

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

MR. BOUZEK: Twelve-thirty.

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

MR. BOUZEK: Quarter to one.

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

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

MR. BURNETT: So what I'm getting to is the operation of this facility will not keep Finn McCools open beyond its normal hours as they exist today?
MR. BOUZEK: No.

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

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

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

MR. BURNETT: I take it that the Colonial Downs employees who are working in the facility will be working in concert with the existing Finn McCool employees who have familiarity with the existing patrons and the like, and there may be some new people.
My concern is particularly in the early going that the tone be set and that we not have any untoward incidents at all. I mean, we've had such a terrific track record at every other SWF and, as you know, when we made application or you've made applications in other jurisdictions and the hearings have been held there, deputy sheriffs have come from all over the state to talk about what good corporate citizens and partners that Colonial Downs people have been. So we'd like to see that continue, and I just am curious to know what you're doing to be certain of that. Thank you.

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

MR. WEINBERG: I think that's what we anticipated doing. I'm sorry. I didn't describe it well.
MR. BURNETT: No. I'm repeating what I heard. You said you have no issue with the conditions that have been recommended in the staff report?

MR. WEINBERG: Correct.

MR. BROWN: Mr. Chairman?

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

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

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

MR. BROWN: That have been with you.

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

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

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

MR. WEINBERG: I think it is a great
opportunity to educate people on horse racing and
also the live racing that will be occurring here
during the summer.

MR. BROWN: Absolutely.

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

MR. WEINBERG: Absolutely.

MR. BURNETT: Right.

MR. WEINBERG: Absolutely.

MR. BURNETT: I just want to be clear.

All right. Any other questions at this time?

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

Yes, sir. Mr. Canaan?

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

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

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

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

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

MR. CANAAN: Right.

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

MR. CANAAN: It does.

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

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

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

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

MR. CANAAN: Right.

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

MR. CANAAN: Sure.

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

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

MR. BOUZEK: -- because usually there's five.

On a Saturday, we can show as many as 12, 12 to 13.

MR. BURNETT: Is there an optimum number?

Does that get to be too many?

MR. BOUZEK: It's too many.

MR. BURNETT: Where do you like to be?

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

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

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

MR. BURNETT: Every minute and a half.

MR. CANAAN: Thank you, Mr. Chairman.

MR. BURNETT: Thank you.

Any other member of the public?

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

MS. DAYLOR: My name is Patty Daylor. I'm an optometrist. I have an office that's two doors down from Finn McCools, and we've been there for ten years. I'm concerned about the impact of having betting in our shopping center and the hours of operation specifically could affect our business,
and I'm wondering if this is an experiment for a year, do we have any recourse if we're unhappy with the effect that it has on the area?

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

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

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

We've heard no complaints that I'm aware of from neighbors. We sometimes get complaints from folks who come in with a full wallet and leave with an empty wallet, but that's their own issue. That doesn't really have much to do with how the place is run, but you would have the opportunity at any meeting, and we meet monthly, to come and tell us of
issues and it's of significant concern to us because
the expansion and success of horse racing in
Virginia is dependent upon public approval in what
we're doing.

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

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

MR. BURNETT: Yes.

MS. DAYLOR: Okay.

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

MR. REYNOLDS: I got a question.

MR. BURNETT: Yes.

MR. REYNOLDS: Have you had any problems in
this location with this restaurant in the past?
MS. DAYLOR: No.

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

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

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

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

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

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

MR. BOUZEK: The first race usually goes off about twelve-thirty. That doesn't mean that, you know, again based on need that we'll be there
necessarily at twelve-thirty, but the first race
doesn't even go off until twelve-thirty.

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

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

MS. DAYLOR: All right.

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

MR. REYNOLDS: Mr. Chairman?

MR. BURNETT: Yes.

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

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

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

MS. DAYLOR: Okay. Thank you.

MR. BURNETT: Thank you for coming out.

Anybody else from the public wish to comment? All right. We'll move to our summation and rebuttal, if any, from the applicant.

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

We're very excited about the opportunity at Finn McCools, to reach a new demographic to horse racing, and to attract people out here to live
racing. Colonial Downs and Stansley Racing have satisfied all the legal requirements to be eligible for this application, and I would just want to highlight that it is prepared to move forward expeditiously and open as early as tomorrow so that we are ready for the Kentucky Derby on Saturday.

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

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

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

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

MR. BURNETT: All right.

MR. BROWN: I second that.

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

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

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

MR. REYNOLDS: It does.

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

Note: (Aye.)

MR. BURNETT: Motion carries unanimously.

Thank you.

MR. WEINBERG: Thank you.

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

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