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**VIRGINIA RACING COMMISSION**

January 17, 2012

10700 Horsemen's Road

New Kent, VA 23124

Commencing at 9:45 a.m.

**COMMISSION MEMBERS:**

Stuart Siegel, Chairman  
J. Sargeant Reynolds, Jr., Vice Chairman  
David C. Reynolds  
Carol R. Dawson

**COMMISSION STAFF:**

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

**ATTORNEY GENERAL'S OFFICE**

Amy K. Dilworth, Esquire

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1 MR. HETTEL: Folks, I'd like to begin the  
2 meeting by introducing our newest commissioner,  
3 Carol Dawson. Carol, welcome to the Racing  
4 Commission. If you care, tell us you're happy to be  
5 here.

6 MS. DAWSON: I am. I'm very happy to be here  
7 and glad to see so much interest and I'm really  
8 thrilled and looking forward to service on the  
9 Commission.

10 MR. HETTEL: It is our pleasure to have you.

11 The next item is the election of a chairman.  
12 May I seek a nomination for chairman of the Virginia  
13 Racing Commission?

14 MR. S. REYNOLDS: Yes, sir. I'd like to  
15 nominate Stuart Siegel to be chairman of the  
16 Virginia Racing Commission.

17 MR. HETTEL: Thank you, sir. Do I have a  
18 second?

19 MR. D. REYNOLDS: Second.

20 MS. DAWSON: Second.

21 MR. HETTEL: We have a motion and a second. Do  
22 we have a vote?

23 NOTE: The Commission votes aye.

24 MR. HETTEL: Sounds like unanimous consent.  
25 Mr. Siegel is our new chairman.

1 MR. SIEGEL: Do we have debates or anything?

2 MR. HETTEL: No. You're stuck with it. Good  
3 luck to you.

4 Secondly, let's go ahead and elect a vice  
5 chairman.

6 MR. SIEGEL: I would nominate Sarge Reynolds.

7 MR. HETTEL: Do I hear a second?

8 MR. D. REYNOLDS: Second.

9 MR. HETTEL: Can we have a vote?

10 NOTE: The Commission votes aye.

11 MR. S. REYNOLDS: I nominate myself.

12 MR. HETTEL: Another unanimous vote.

13 All right. Mr. Chairman, I'll turn the meeting  
14 over to you.

15 MR. SIEGEL: I have no acceptance speech,  
16 certainly nothing prepared, but I'm happy to serve  
17 and I'd also like to welcome Carol to the Commission  
18 and look forward to serving with you as well.

19 The first item on the agenda is the minutes  
20 from our -- the approval of the minutes from our  
21 December 1st meeting, which has been distributed.  
22 Any comments with regard to those minutes?

23 MR. WEINBERG: Just a suggestion. You may want  
24 to reflect that the Commission officially extended  
25 the Standardbred agreement to today's date, just so

1 it is reflected in the minutes.

2 MR. SIEGEL: Okay. Everybody got a note on  
3 that? Just one change in those minutes to reflect  
4 that the extended Standardbred, I guess the decision  
5 dates on the Standardbred to this meet from the  
6 last.

7 MR. WEINBERG: Correct, and what was important  
8 legally was that the agreement expired December  
9 31st, but we agreed it would be extended until  
10 today.

11 MR. SIEGEL: Thank you. Any other comments?

12 NOTE: There is no response.

13 MR. SIEGEL: With that change, can I ask for  
14 approval of minutes? All in favor say aye.

15 NOTE: The Commission votes aye.

16 MR. SIEGEL: Any opposed?

17 NOTE: There is no response.

18 MR. SIEGEL: Okay. Any commissioner comments?  
19 Any commissioner like to comment before we begin to  
20 go further?

21 NOTE: There is no response.

22 MR. SIEGEL: Okay. Next on the agenda,  
23 committee reports. Do we have a Breeders' Fund  
24 subcommittee report today?

25 MR. HETTEL: Sarge will read that into the

1 record.

2 MR. S. REYNOLDS: Yes. We have the proposed  
3 expenditures from the Thoroughbred portion of the  
4 Virginia Breeders' Fund for 2012.

5 The Thoroughbred subcommittee of the Virginia  
6 Breeders' Fund voted unanimously to recommend the  
7 following expenditures from the Thoroughbred portion  
8 of the Virginia Breeders' Fund for 2012.

9 They are \$325,000 for the year-end breeder and  
10 stallion awards based on the results of races run in  
11 2011; and second, approximately \$700,000 for the  
12 100 percent owners' bonus program and restricted  
13 race supplements of 25 percent.

14 Third, \$131,000 to partially fund the purses of  
15 six Virginia-bred Stakes races to be contested  
16 during the 2012 race meeting of Colonial Downs.

17 And four, approximately \$65,000 for breeders'  
18 bonuses based on 10 percent of the 100 percent  
19 owners' bonuses earned.

20 And lastly, \$190,000 to the Virginia  
21 Thoroughbred Association for the administration of  
22 the fund. That's our recommendation.

23 MR. SIEGEL: Any comments on Sarge's report?

24 NOTE: There is no response.

25 MR. SIEGEL: Okay. Next, Bernie, executive

1 secretary's report.

2 MR. LERMOND: We need a motion.

3 MR. SIEGEL: I'm sorry. I thought it was just  
4 a report. This is for action?

5 MR. HETTEL: Yes, sir.

6 MR. SIEGEL: Okay. I'm sorry. A motion to  
7 approve?

8 MR. S. REYNOLDS: So moved.

9 MR. SIEGEL: Second?

10 MS. DAWSON: Second.

11 MR. SIEGEL: Any discussion at all beyond what  
12 Sarge has reported?

13 NOTE: There is no response.

14 MR. SIEGEL: All in favor, vote aye.

15 NOTE: The Commission votes aye.

16 MR. SIEGEL: Bernie?

17 MR. HETTEL: Yes, sir. We are seeking today  
18 the amendment of the administrative regulations code  
19 requiring a human ambulance for Standardbred racing  
20 training hours.

21 This has been debated previous to my arrival  
22 here in Virginia and we've come to a situation in  
23 the agreement that we can train horses in the  
24 morning without the necessity of a human ambulance  
25 and it's costing Colonial Downs a great amount of

1 money every day that could be used for other  
2 beneficial projects.

3 MR. SIEGEL: Discussion on that? We had some  
4 discussion I guess last year about this issue and I  
5 think there were varying opinions. Are we of one  
6 mind here?

7 MR. HETTEL: Doctor, would you care to opine on  
8 this?

9 DR. DUNAVANT: Yeah. I'd be glad to. Yeah.  
10 We're the only Standardbred track in the country  
11 that requires an ambulance during training hours.  
12 Everybody has one doing --

13 MR. SIEGEL: You're talking about a human  
14 ambulance in this case? Are you talking about a  
15 human ambulance in this case or a horse ambulance?

16 DR. DUNAVANT: Human ambulance. Yeah. You  
17 know, we're a lot safer out there training the  
18 Standardbred horses on a race track than we are  
19 driving in here, really, and the horsemen have felt  
20 all along that it's an extra expense that's really  
21 not needed, providing an ambulance during the  
22 training hours.

23 MR. SIEGEL: So you support this?

24 DR. DUNAVANT: Yes. Yes. The harness horsemen  
25 support this.

1 MR. SIEGEL: Any other comments? Any other  
2 opinions on this? Dr. Harden, you feel okay about  
3 this?

4 DR. HARDEN: Yes, sir.

5 MR. SIEGEL: Okay. Do we need action on this  
6 item?

7 MR. LERMOND: You need to approve it as a final  
8 amendment.

9 MR. SIEGEL: Then I'll ask for a motion to  
10 approve this as a final amendment.

11 MR. D. REYNOLDS: So moved.

12 MR. SIEGEL: Second?

13 MR. S. REYNOLDS: Second.

14 MR. SIEGEL: All in favor, aye.

15 NOTE: The Commission votes aye.

16 MR. HETTEL: Okay. The next administrative  
17 modification would be the necessity for patrol  
18 judges during race meets. This change originally  
19 was the necessity to have at least three patrol  
20 judges. The amendment calls for a sufficient number  
21 of patrol judges, which could be zero or one. Also,  
22 to seek affirmation of that. That's more of a  
23 Thoroughbred consideration than Standardbred.

24 MR. SIEGEL: And you support this?

25 MR. HETTEL: Yes, sir. I do.

1 MR. SIEGEL: Comments on this issue as well?  
2 I guess it's more for the Thoroughbred folks.  
3 Everybody's okay with it?

4 NOTE: There is no response.

5 MR. HETTEL: Seek a vote.

6 MR. SIEGEL: Okay. We'll ask for a motion to  
7 approve this amendment as well.

8 MR. S. REYNOLDS: So moved.

9 MR. SIEGEL: Second?

10 MR. D. REYNOLDS: Second.

11 MR. SIEGEL: All in favor?

12 NOTE: The Commission votes aye.

13 MR. SIEGEL: All right. That is approved.

14 Stakeholder's report. Request from Colonial  
15 Downs for 2012 Standardbred. Ian, will you do that?

16 MR. WOOLNOUGH: I think Jim is gonna do that.

17 MR. WEINBERG: What I'd like to do, if it is  
18 acceptable to the Chair, is to do the request in the  
19 context of the agreement. We were successful in  
20 signing a new three-year agreement that is based  
21 upon the existing agreement. What I thought I'd do  
22 is explain the changes between the two agreements  
23 and in the course of that, touch upon the race day  
24 request for 2012, if that is acceptable.

25 MR. SIEGEL: Okay.

1 MR. WEINBERG: Let me distribute a couple  
2 documents while we do that.

3 MR. SIEGEL: While that's being done, I'll just  
4 comment that I'd like to give credit to the parties  
5 for getting together and coming to an agreement.

6 I think that this Commission challenged you to  
7 do so at the last meeting and I think it far better  
8 serves racing than having this Commission make these  
9 decisions made for you. So I commend all the  
10 parties for getting together and hammering out an  
11 agreement, which I know wasn't easy.

12 MR. WEINBERG: What I thought we'd do is just  
13 turn the pages of the agreement and I would explain  
14 the changes as they arise. You have a one-page  
15 summary of those changes as well.

16 Just beginning on Page One of the agreement.  
17 Obviously, since 2009, there have been a few changes  
18 on where the satellite wagering facilities are  
19 located; reference the changes of the Fin McCool  
20 site and in anticipation that that model will likely  
21 be replicated at a new satellite wagering facility.  
22 As you may recall, there is an additional license  
23 available for that purpose.

24 On Page Two, you'll see that this, too, is a  
25 three-year agreement. It would have an effective

1 date of January 1. It would relate back and then  
2 continue through December 31st, 2014.

3 The first of what I would call substantive  
4 change occurs on Pages Five and Six. You may recall  
5 that as part of the Thoroughbred agreement, there is  
6 a sharing arrangement in place for handle at a  
7 number of satellite wagering facilities which are  
8 identified in the bold, underlined portion on Page  
9 Six.

10 These percentages that are reflected in this  
11 agreement are consistent with the arrangement with  
12 the Thoroughbred horsemen. Here, it's a fixed fee.  
13 The Thoroughbred horsemen's share is a 50/50 share  
14 in earnings before income taxes and appreciation.

15 This is a little more of a simplified approach  
16 and you see that this arrangement is for the term of  
17 the agreement. It changes or reverts back upon  
18 expiration of the agreement.

19 The race day section appears on Pages Ten and  
20 12. That's really the next substantive change in  
21 the agreement. You will see that the parties have  
22 agreed that Colonial Downs will request 24 days for  
23 each of the next three years.

24 We'll begin on a Wednesday, usually in early  
25 September for 2012. The request is begin

1 September 5th and conclude October 14 for 24 days,  
2 with racing being conducted Wednesday, Thursday,  
3 Saturday, Sunday. That is the nature of the race  
4 day requests for 2012.

5 You will see in this section that that is  
6 anticipated to be the model for the race day request  
7 for 2013 and '14 as well.

8 MR. SIEGEL: The days change in your amendment  
9 that you sent out as well?

10 MR. WEINBERG: Yes. I apologize for the timing  
11 of this. We had a few last minute tweaks on  
12 Thursday, forgetting that the Commission was closed  
13 Friday and Monday, so it came a little bit down  
14 closer to the wire than we anticipated.

15 I would remind the Commission this is merely  
16 the agreement among the parties. The Commission  
17 each year acts upon an annual request for race days.

18 So in the Commission's action or approval of  
19 this agreement, I want to be clear you are not  
20 approving race days, it's just merely recognizing  
21 the agreement between the parties as to what that  
22 request will look like year-to-year.

23 In the following section, Paragraph B, you will  
24 see an agreement regarding some marketing endeavors.

25 During our discussions of the contract, we

1 talked about creating festival weekends that would  
2 have a common theme, whether it be Virginia  
3 products, a wine festival, a beer festival;  
4 something of that nature.

5 Then on the next page, with respect to  
6 activities at the race track and within the  
7 satellite facilities about the promotion of  
8 Standardbred horse racing, we've seen a couple  
9 tweaks that affect actual practice and what is  
10 occurring on the ground.

11 Similarly, the Jumbo Tron language is somewhat  
12 consistent with what has been in the existing  
13 agreements as far as its availability and expense.

14 On Page 14, there's a discussion of stalls  
15 being available and the stall fees. As this  
16 Commission is aware, during the course of this  
17 negotiation, there were a great deal of discussions  
18 about the economics of Standardbred racing and one  
19 way to mitigate some of the costs incurred is for  
20 there to be a stall fee payment and this has been  
21 introduced in this Section 9A, which represents a  
22 \$125 stall fee per meet for the race and rising to  
23 150 in the final year of the contract.

24 The next substantive change is on Page 15. We  
25 discussed when the track will open for training and

1 when it will close at the end of the meet.

2 This reflects it will open one week before  
3 actual racing commences and will close three days  
4 after the meet ends and that's the schedule layed  
5 out in those changes.

6 Turning to Page 17, you'll see a change at the  
7 bottom of the page in which again, addressing the  
8 economic issues we've discussed on previous  
9 occasions.

10 The VHHA will bear a portion of the track turn  
11 expense. That is taking the cushion off of the  
12 outer track in preparation for Standardbred racing.  
13 That's a \$40,000 expense that the VHHA will incur in  
14 help mitigating the cost of that track conversion  
15 each year.

16 On Page 18, there is a reflexion of an  
17 agreement with the horsemen that there would be no  
18 more than ten races per day and no more than eight  
19 horses per race, which was a desire of the VHHA.

20 The final substantive change is on Page 21 and  
21 it is more technical in nature, just reflecting the  
22 mechanics of the administration of the Racing  
23 Benevolence Fund for improvements on the back  
24 stretch.

25 Finally, you will see on the last page of the

1 agreement changes to Exhibit B that just conform  
2 Exhibit B to the language that's in the body of the  
3 agreement as well.

4 I welcome any questions or comments. The  
5 request from Colonial Downs is twofold; first, to  
6 approve the race days for 2012, 24 days commencing  
7 September 5th, and second, to approve the new  
8 agreement between the VHHA and Colonial Downs.

9 MR. SIEGEL: Okay. Before we hear from the  
10 VHHA, any comment from any commissioners or  
11 questions on what Jim has reported?

12 NOTE: There is no response.

13 MR. SIEGEL: Bernie, I take it you're  
14 representing to this Commission you have read this  
15 carefully and you understand?

16 MR. HETTEL: I have and I've been a part of the  
17 ongoing discussion we had previous to this agreement  
18 being finalized. I find it to be in good shape and  
19 an improvement with all parties considered. Right?

20 MR. WEINBERG: Right.

21 MR. HETTEL: Very good. Let's vote on  
22 approval.

23 MR. SIEGEL: Well, I think we should hear from  
24 VHHA. I don't know whether you, Doctor, or Ian, you  
25 are gonna comment.

1 DR. DUNAVANT: I will. It was quite an  
2 undertaking to get this agreement finalized. The  
3 VHHA realizes that problems with all racing, not  
4 just Standardbred racing, in this time and we tried  
5 hard to come up with something that could help  
6 Colonial Downs' bottom line and at the same time,  
7 they would provide us with enough race days where we  
8 could put on a good, competitive meet and have a  
9 chance of getting enough horses to come.

10 Very few Standardbred race tracks on the east  
11 coast offer stabling. Most all of the tracks are  
12 ship-in only now. The Meadow Lands is only ship-in  
13 now. They did away with that stall area this past  
14 year.

15 So we thought that coming up with charging a  
16 reasonable fee for stall use for the meet would go a  
17 long way towards creating the finances that Colonial  
18 needed.

19 Thought long and hard about setting that  
20 precedent, but at all of the training centers  
21 surrounding other tracks on the east coast, they  
22 charge quite a bit more than what we're charging  
23 here.

24 I'm paying \$220 a month to stable at Harrington  
25 Raceway and have to ship to Dover Downs to race now.

1 So maybe it's a thing that will help Colonial Downs.  
2 Maybe it's something that even Thoroughbred people  
3 want to think about.

4 Haven't talked with all of the horsemen, but  
5 most of the horsemen agree that it's something we  
6 gotta do in order to have racing here.

7 I think that the rest of the things -- A lot of  
8 our horsemen wanted in the contract the eight-horse  
9 limit. Most tracks race just eight horses and we  
10 pay through five with the stall rent, et cetera.

11 It'll be a lot more palpable that only three  
12 horses don't get a check in a race here at Colonial  
13 and we've made a provision where the stall rent can  
14 be deducted from the horsemen's purse account.

15 So all in all, I think we've come up with a  
16 reasonable contract and it goes for three years and  
17 we look forward to putting on some good racing  
18 together.

19 MR. SIEGEL: Just one quick question. I take  
20 it you have the support of your board?

21 DR. DUNAVANT: Yes.

22 MR. SIEGEL: All right. Any questions or  
23 comments?

24 MR. WOOLNOUGH: I'd just like to say I  
25 appreciate the VHHA's willingness to search for

1 common ground during this process.

2 Charlie and I've done this more than once and I  
3 would like to say that in negotiating these  
4 contracts with Charlie, it's never personal. It's  
5 always business and I really appreciate, you know,  
6 the process.

7 MR. SIEGEL: Again, as I said earlier, I think  
8 this Commission appreciates you guys sitting down  
9 and pounding out an agreement, which I know wasn't  
10 easy, but it shouldn't be left to us and so I'm glad  
11 you were able to do that.

12 Any questions from commissioners or comments?

13 MS. DAWSON: Mr. Chairman?

14 MR. SIEGEL: Yes?

15 MS. DAWSON: I just wanted to clarify you say  
16 it is a three-year contract?

17 DR. DUNAVANT: Yes, ma'am.

18 MS. DAWSON: But the Commission will still have  
19 to approve it each year?

20 MR. SIEGEL: Right.

21 MS. DAWSON: Are there any possibilities that  
22 it might be amended?

23 MR. WEINBERG: I can address that question, if  
24 I can. The race day request is an activity the  
25 Commission approves each year. The agreement en

1 toto is only approved as it expires.

2 If the parties were to amend the agreement, we  
3 would be obligated to come and have any amendment  
4 approved by the Commission.

5 MR. SIEGEL: I think that it's fair to say that  
6 along the way over three years, there may be some  
7 things you guys mutually wish to alter and you bring  
8 that before this Commission at the anniversary of  
9 the contract and we would approve, hopefully  
10 approve, that as well as the race days for the  
11 coming year.

12 MR. WEINBERG: Correct. That is how we have  
13 operated in the past.

14 MS. DAWSON: Thank you.

15 MR. SIEGEL: Thank you.

16 Any other questions from any other commissioner  
17 with regard to this?

18 MR. S. REYNOLDS: I'm curious to understand why  
19 you want the eight horses so there's more chance at  
20 getting a piece of the pie.

21 Can you tell me why you just want a maximum of  
22 ten races a day? Just curious.

23 DR. DUNAVANT: Well, with only ten races, we  
24 can hold our per race minimum purse up to a  
25 respectable level. It dilutes our purse fund when

1 we have 12, 13, 14 races in a day. That was  
2 something that the majority of our horsemen and  
3 members of the VHHA requested.

4 MR. S. REYNOLDS: Thank you.

5 MR. SIEGEL: Is there any response from the  
6 general public? Does anyone in the general public  
7 want to comment on this agreement?

8 NOTE: There is no response.

9 MR. SIEGEL: Okay. Hearing none, the Chair  
10 will entertain a motion to approve the 2012  
11 agreement for Standardbred race days, in particular  
12 --

13 MR. S. REYNOLDS: Mr. Chairman, I'll make a  
14 motion that we approve the 2012 race days as  
15 presented --

16 MR. SIEGEL: -- in the agreement.

17 MR. S. REYNOLDS: -- in the agreement.

18 MR. D. REYNOLDS: Second.

19 MR. SIEGEL: Any other discussion?

20 NOTE: There is no response.

21 MR. SIEGEL: All in favor, say aye.

22 NOTE: The Commission votes aye.

23 MR. WEINBERG: Thank you very much.

24 DR. DUNAVANT: Thank you.

25 MR. WEINBERG: I'd like to thank Mr. Hettel as

1 well for his participation in our negotiations. His  
2 monitoring and mediation were very helpful and  
3 conducive, I think, to bringing about this  
4 agreement. I'd like to thank you for your efforts.

5 MR. HETTEL: You're very welcome. Thank you.

6 MR. SIEGEL: Okay, good.

7 Moving forward. Glenn, the VTA is requesting  
8 amendments to Chapter 130. Do you want to talk a  
9 little bit about that to the group?

10 MR. PETTY: Yes, Mr. Chairman.

11 Congratulations or sympathies, whichever is  
12 appropriate.

13 MR. SIEGEL: Maybe both.

14 MR. PETTY: We have talked for several years  
15 about emulating what is done in other mid-Atlantic  
16 states where we have two tiers of registration fees.  
17 There's one tier for members of the Virginia  
18 Thoroughbred Association, another tier for  
19 non-members.

20 Not only is this common in other mid-Atlantic  
21 racing states in the performance horse industry, you  
22 simply can't participate unless you are a member of  
23 various organizations that regulate the events.

24 We put this concept in front of the committee.  
25 It was -- No one had any issues with it.

1           Our racing secretary has sent you all an e-mail  
2           stating his opposition, which is philosophical,  
3           which I understand, but I think Tyler misunderstood  
4           why we were doing it, which I want to clarify today.

5           It's not about revenue. It's not about money.  
6           It's not about making -- If we wanted to make more  
7           money, we'd just jack the fees up.

8           It's more about -- People who have worked in  
9           fundraising and development and politics know it's  
10          about getting people involved and getting people  
11          that are coming to Colonial Downs and winning this  
12          money involved in the process that we're all  
13          involved in every day. As I said, the more people  
14          we have pushing the ball up the hill, the better off  
15          we are.

16          So what I would just like the folks that come  
17          to Virginia -- some of which are Virginians and some  
18          of which are not and earn money from our Breeders'  
19          Fund -- to be part of this process.

20          So by encouraging them to become members, then  
21          we increase the membership base, we increase our  
22          ability to brand the product, we increase our  
23          political influence. You know, there's only good  
24          things that come of it.

25          And like the development business, you know,

1 it's not about how much people give; it's about how  
2 many people give. So we're simply just trying to  
3 spread the nets out and catch more fish, and like I  
4 say, move the ball up the hill a little easier.

5 So I understand Tyler's opposition based on his  
6 philosophy, but I don't think he fully comprehends  
7 what we're trying to accomplish.

8 MR. SIEGEL: I don't see Tyler here, the racing  
9 secretary. Does Colonial Downs want to comment on  
10 that? Is there still opposition or has that been  
11 worked out?

12 MR. WOOLNOUGH: The Breeders' Fund is not an  
13 area that I spend a lot of time on or have a great  
14 deal of expertise.

15 Philosophically, I try not to run the  
16 organization such that I stifle people's opinion.  
17 It happens to be Tyler's opinion, so he offers it  
18 with his expertise, be that as it may.

19 MR. SIEGEL: Well, he's not here, so I mean  
20 there doesn't appear to be opposition here at this  
21 point to that.

22 MR. PETTY: Not that I'm aware of. I think  
23 everyone sees the value of expanding our base of  
24 advocates.

25 MR. SIEGEL: Is this an item we need to take

1 action on?

2 MR. STEWART: Colonial Downs has no objection  
3 to taking action.

4 MR. SIEGEL: Dave, it is an actionable item?

5 MR. LERMOND: Yes, sir. It would be approving  
6 the amendments to Chapter 30.

7 MR. SIEGEL: Any other discussion before we  
8 take action? Any other comments or discussion?

9 NOTE: There is no response.

10 MR. SIEGEL: The Breeders' Fund is something  
11 that we don't talk a lot about here, so I'm sort of  
12 with Ian on this.

13 I'm not sure that I completely understand the  
14 focus on it myself, but I think it's most important  
15 that the horsemen and the VTA and race track are  
16 dancing to the same music on this and it appears  
17 that for the most part, we are.

18 Okay. No other discussion then, I'll ask for a  
19 motion to approve this amendment.

20 MR. D. REYNOLDS: I move.

21 MR. SIEGEL: Second?

22 MR. S. REYNOLDS: Second.

23 MS. DAWSON: Second.

24 MR. SIEGEL: All in favor, say aye.

25 NOTE: The Commission votes aye.

1 MR. SIEGEL: I show that approved.

2 I apologize for this, but I'm just sitting here  
3 thinking about Carol in her first meeting, not  
4 really knowing who is who.

5 I probably should have done this earlier, but  
6 particularly with the people at the table here, and  
7 Glenn, I'd like for you to take a second to  
8 introduce yourselves and tell what you do.

9 Most of the people sitting behind the table are  
10 Colonial Downs folks, and Ian or Jim, if you would  
11 just sort of introduce them as we get to you, I  
12 think that will be helpful, hopefully, to Carol.

13 MR. PETTY: Carol, I'm Glenn Petty. I'm the  
14 executive director of the Virginia Thoroughbred  
15 Association. I don't have any beef with these guys.  
16 I just like this chair better, so I usually sit  
17 here.

18 MR. SIEGEL: He can be on his computer without  
19 being noticed.

20 MR. PETTY: I'm multi-tasking.

21 MR. PETRAMALO: My name is Frank Petramalo.  
22 I'm the executive director of the Virginia  
23 Horsemen's Benevolent and Protective Association,  
24 VHBP. Our organization represents the owners and  
25 trainers who race during the Thoroughbred meet in

1 the summer.

2 MR. WOOLNOUGH: I'm Ian Woolnough. I'm the  
3 secretary of the Virginia Harness Association.

4 DR. DUNAVANT: I'm Dr. Charlie Dunavant and I'm  
5 the president of the Virginia Harness Association.

6 MR. WEINBERG: I'm Jim Weinberg. I'm an  
7 attorney at Hirschler Fleischer and have been  
8 counsel to Colonial Downs for 18 years.

9 MR. STEWART: I'm Ian Stewart. I'm the  
10 president of Colonial Downs. Behind me is Jeanna  
11 Bouzek; she's the vice president of operations.

12 Barry Calabrese [ph], director of our account  
13 wagering operation.

14 MS. BOUZEK: Ed Owen; he works with our awards.  
15 Darryl Wood, marketing; Jeff Wingrove, simulcasting  
16 and mutuels.

17 MR. SIEGEL: And then we have members of the  
18 public here as well.

19 I want to thank you. I think that's an  
20 exercise worth having and hopefully it might take  
21 you a little time to get all the players straight.

22 MS. DAWSON: That's good.

23 MR. SIEGEL: Good, good.

24 We received by e-mail last night from the  
25 executive secretary a copy of the Senate Bill 268,

1 which is being presented to the General Assembly, or  
2 at least the Senate at this point, and I'm told that  
3 Ian, you may be the person to just comment on this  
4 for us. Maybe, Jim, you are. Ian looks bewildered.

5 MR. STEWART: I don't know what Senate Bill 268  
6 is.

7 MR. WEINBERG: Is this Senator Norment's bill?

8 MR. SIEGEL: Yes.

9 MR. WEINBERG: I'll be happy to comment on it.

10 MR. SIEGEL: If we're gonna endorse this -- If  
11 we're being asked to endorse this, we really ought  
12 to have some discussion on the merits of it and what  
13 it contains. It's seven pages of legalese, and  
14 maybe only Jim understands it, but --

15 MR. PETRAMALO: Oh, I understand it, too.

16 MR. SIEGEL: I'm sorry.

17 MR. PETTY: Unfortunately, so do I.

18 MR. SIEGEL: Frank is also an attorney. He  
19 didn't point that out in his introduction.

20 Yes. I think you understand it quite well, and  
21 should.

22 But anyway, what we're really asking for from  
23 the Senate, I guess Cliff's Notes on that would be  
24 helpful.

25 MR. STEWART: Well, I've not read the bill, but

1 I'm told that the bill is a replica of similar bills  
2 introduced in the last couple of years that would  
3 basically approve Instant Racing in Virginia.

4 Instant Racing is a game whereby players can  
5 wager on previously run races. It's currently  
6 employed in Arkansas and recently opened in  
7 Kentucky.

8 The game is played on a machine that resembles  
9 in some aspects a slot machine, though it is not  
10 operated as a slot game. It is not a slot machine  
11 game; it is a pari-mutuel wager. Jim can discuss  
12 the wager itself is legal under Virginia law. The  
13 issue is distribution of the proceeds.

14 I turn it over to Jim at this point.

15 MR. WEINBERG: That's right. I mean just to  
16 give you some history of this bill, this bill I  
17 think in some form or fashion has been before the  
18 General Assembly I think for the last five years and  
19 received varying degrees of attention. It has  
20 historically passed the Senate, only to die in  
21 committee in the House. It nearly came to a vote I  
22 think three years ago in the House before the  
23 Speaker took action.

24 But what it seeks to do is it is a form of  
25 pari-mutuel wagering based upon horse races that are

1 disguised in a way that is impossible to identify  
2 them, but they are pre-recorded races that have been  
3 run in the past.

4 The pari-mutuel pool is formed by the folks who  
5 are playing the game at that particular time. To  
6 see it in -- it is easier to explain looking at it  
7 physically.

8 But not everyone is looking at the same race,  
9 but everyone is making the same bet. So it's a  
10 pari-mutuel pool formed in time rather than in a  
11 particular race which counter to the traditional  
12 pari-mutuel pool that we are all accustomed to.

13 The bill focuses primarily on the take-out for  
14 this type of wager. Senator Norment would like to  
15 see a significant portion of the proceeds go to fund  
16 the transportation needs of the Commonwealth and  
17 that is his primary motivation, I believe, for the  
18 legislation and sees pari-mutuel wagering as a legal  
19 vehicle in the Commonwealth to promote this type of  
20 activity.

21 I think, as everyone is aware, there are only  
22 three types of legal gaming from the Commonwealth;  
23 the lottery, pari-mutuel wagering and charitable  
24 gaming, and so he has chosen pari-mutuel wagering as  
25 a vehicle to help with transportation.

1 I'm happy to go into more detail, but I've said  
2 I think in the past the Commission -- and I don't  
3 mean to delve into Commission politics -- but I  
4 think has looked for guidance from the Executive  
5 branch and the Executive branch has declared itself  
6 to be Switzerland in this instance.

7 MR. SIEGEL: Senator Norment has been helpful  
8 to us in the past. What is it about this particular  
9 bill or at least this particular time that leads us  
10 to believe that we may have some success other than  
11 perhaps transportation? Was that in his bill last  
12 year?

13 MR. WEINBERG: Ever since Senator Norment has  
14 been the sponsor of the bill, it has always been  
15 transportation. I believe from its inception,  
16 transportation --

17 MR. SIEGEL: What's different in the bill or  
18 how we tend to proceed with our lobby?

19 MR. PETRAMALO: He's the majority leader this  
20 time.

21 MR. WEINBERG: Yes. He is the majority leader.  
22 It's a little -- It's hard for me to speculate on  
23 the bill's chances.

24 MR. SIEGEL: Well, other than additional  
25 political clout perhaps in the House, do we have any

1 reason to believe that it will get out of committee  
2 in the House since it hasn't in the past?

3 MR. WEINBERG: I haven't had any discussions  
4 along those lines with Senator Norment's staff or  
5 candidly others who might be working the bill.

6 I'm not trying to be evasive --

7 MR. SIEGEL: I understand.

8 MR. WEINBERG: -- but he has traditionally  
9 introduced this without consultation, in all candor,  
10 with the horse industry.

11 MR. SIEGEL: But we're okay with it?

12 MR. STEWART: Well, we would be supportive of  
13 it.

14 MR. PETRAMALO: Not us. Not that current bill.

15 MR. SIEGEL: Your group is not in support of  
16 this?

17 MR. PETRAMALO: No. The current bill has a  
18 split of the net winnings of four percent going to  
19 the horsemen and the Breeders' Fund. We believe  
20 that's too low. We would oppose that.

21 But that said, we've worked out a -- we had  
22 worked out a compromise in the Senate.

23 I think, just opining, I think Senator Norment  
24 picked the wrong version. The compromise was six  
25 percent. Senator Herring and Senator Norment, the

1 last time they got together, had dualing bills and  
2 they compromised at six percent, which was  
3 acceptable to us.

4 I think Senator Norment just reintroduced the  
5 wrong version, so I think it can probably be solved.  
6 But as it stands, if that has four percent in it,  
7 we're opposed, but only for that reason.

8 MR. SIEGEL: Is there any effort if it does  
9 have four percent in it to get that changed if it's  
10 simply --

11 MR. PETRAMALO: I spoke to our lobbyist and he  
12 was in the process of speaking with Senator  
13 Norment's staff to see whether they could get that  
14 solved.

15 But with that said, I wouldn't be too sanguine  
16 about its prospects over in the House. Senator  
17 Norment has been very supportive of the industry,  
18 but we've had the opposite response from the  
19 Speaker's office, and while there may be a slight  
20 change in political balance now with Senator Norment  
21 being the majority leader, I think it has a very,  
22 very tough road in the House.

23 MR. SIEGEL: Is there an active lobby from  
24 either the racetrack or the horsemen?

25 MR. PETRAMALO: We haven't done anything so far

1 with respect to that because we were unaware it was  
2 coming down the pike.

3 What we did do, just the horsemen, we met with  
4 Delegate Chris Jones, who is the chairman of the  
5 General Laws on the House side; that's where our  
6 legislation goes.

7 And we met with Delegate Ed Scott from  
8 Rappahannock County. Ed Scott has been very  
9 supportive of the horse industry.

10 We met with the chairman of General Laws to see  
11 what the likelihood was to get favorable responses  
12 to help the horse industry on the House side and  
13 basically what we came up with --

14 The best we thought we could do was a joint  
15 resolution appointing a study commission made up of  
16 representatives from the House as well as the Senate  
17 to look at the horse racing industry in Virginia in  
18 light of its decline and in light of its fierce  
19 competition from states around us with slot  
20 machines, et cetera, and hopefully, that that  
21 commission would come up with some recommendations  
22 which maybe one or two years down the line might  
23 furnish the basis for legislation, perhaps  
24 legislation of the sort that Senator Norment had  
25 that would assist the industry.

1           We have a meeting scheduled with the Speaker of  
2           the House on Thursday and we would encourage a  
3           representative from the Racing Commission to come  
4           along with us to discuss the resolution with the  
5           Speaker.

6           MR. SIEGEL: Who is gonna meet with the  
7           Speaker?

8           MR. PETRAMALO: I am going on behalf of the  
9           HBPA and our lobbyists Peter Easter and Doug Easter  
10          so far and we told the Speaker's office that it was  
11          possible that a representative from the Racing  
12          Commission would be coming along.

13          MR. SIEGEL: When is that?

14          MR. PETRAMALO: Thursday morning at nine a.m.

15          MR. HETTEL: I'll do it. I can attend.

16          MR. SIEGEL: Yeah. I think certainly Sarge or  
17          anybody else that wants to go can go. I'm not  
18          available Thursday morning myself, but Bernie, it  
19          would certainly be helpful for you to be there and  
20          to comment.

21          MR. HETTEL: Yes, sir. I'll attend.

22          MR. SIEGEL: We only get one shot at this a  
23          year and it's hard to have a lot of optimism,  
24          particularly in the House with regard to racing,  
25          anything racing or pari-mutuel, but just I sort of

1 believe you never stop asking.

2 But it's hard to expect a different result if  
3 you ask the same question to the same people  
4 repeatedly, but if there is an angle or something  
5 here where we could make a compelling case, then I  
6 think we should find it and try to appeal to the  
7 Speaker in that regard.

8 MR. PETTY: Mr. Chairman, going back to SP 268,  
9 you asked what was different. It strikes me that  
10 what is different is we're having this conversation,  
11 that Senator Norment apparently sent to the VRC a  
12 request for an endorsement of this bill. If that's  
13 happened before, we've not been made aware of it,  
14 and it certainly hasn't been shared with us by the  
15 Commission in this event.

16 I've always presumed, as Jim eloquently stated,  
17 it was because the administration has taken the  
18 Switzerland approach to these conversations and has  
19 strongly advocated, for lack of a better term, that  
20 the Commission not be involved in this political  
21 process.

22 So I would suggest that you think long and  
23 hard, our issues with the bill, notwithstanding,  
24 that if Senator Norment has requested this  
25 Commission to get involved, that you get involved.

1 MR. HETTEL: Well, he had not.

2 MR. PETTY: Okay. I misunderstood.

3 MR. HETTEL: That's a misunderstanding. I just  
4 happened to get a copy of this bill.

5 MR. PETTY: Okay. Either way, I would advocate  
6 that you get involved with or without his request  
7 because --

8 MR. SIEGEL: Yeah. I can't remember, quite  
9 frankly, if we have endorsed it in the past. I  
10 don't think we have.

11 MR. PETRAMALO: No.

12 MR. PETTY: If you haven't been told not to, I  
13 would advocate that you do so. In absence of a  
14 prohibition, I would say march ahead.

15 MR. SIEGEL: Yeah. I'm not sure that telling  
16 us not to is appropriate. This is still America and  
17 we are an independent nation and whoever would tell  
18 us not to could fire us if they like, but we do have  
19 the opportunity to support it if that's our desire.  
20 I would encourage us to do so, if that's our desire.

21 MR. PETTY: And I think it's equally as  
22 important that the Speaker, whenever there's an  
23 opportunity, that commissioners and or staff can  
24 meet with him and demonstrate that the regulators  
25 are behind what, you know, the farmer is a believer

1 in what the foxes and the chickens want.

2 MR. SIEGEL: Bernie, I think it will be  
3 important for you to make the case, assuming we do  
4 approve it, that the Commission is behind this  
5 100 percent and you represent the Commission itself,  
6 which is appointed by the governor, and who knows  
7 what, if anything, that does.

8 MR. D. REYNOLDS: Mr. Chairman?

9 MR. SIEGEL: Yes.

10 MR. D. REYNOLDS: I have a question. There's  
11 another function tonight?

12 MR. SIEGEL: Tonight.

13 MR. STEWART: We're having our annual  
14 legislative function tonight.

15 MR. D. REYNOLDS: Is there anything related to  
16 that?

17 MR. STEWART: Not really. It's just a social  
18 event.

19 MR. SIEGEL: There's no agenda there. It's  
20 just a reception to sort of shake hands, I guess.

21 MR. STEWART: It's just a social event.

22 MR. SIEGEL: It's just a meet and greet and I  
23 don't know whose gonna be there, but it might be  
24 important that any of us that are there -- I know  
25 Sarge is going and Bernie, you are going as well.

1 MR. HETTEL: Yes, sir.

2 MR. SIEGEL: It might be important that any of  
3 you that are there may introduce Bernie or Sarge to  
4 any folks they need to meet and perhaps put in a  
5 good word for our bill, your bill.

6 Other comments or questions?

7 MS. DAWSON: Mr. Chairman, I just feel like  
8 that the Commission needs to take its time on this  
9 because there appears to be some disagreement among  
10 the horsemen's association about certain components  
11 of the legislation.

12 MR. PETRAMALO: Yeah. Commissioner Dawson, I  
13 would agree for an additional reason.

14 The disagreement in the industry I think can be  
15 worked out; I'm almost positive of that, but I think  
16 out of an abundance of caution, the Commission  
17 should proceed very, very carefully and deliberately  
18 because this is a controversial issue. This is not  
19 just amending the law to do a few things.

20 In the past, its raised a lot of concerns and I  
21 think you should carefully look at -- Obviously, we  
22 would love your 100 percent support, but I think you  
23 have to proceed cautiously. I don't think you can  
24 just pick up the bill and say oh, yeah, fine with  
25 us.

1 MR. WEINBERG: I agree with Frank, but I do  
2 want to be crystal clear that as amongst the folks  
3 at this table, we're all in support of the bill at  
4 six percent.

5 MR. PETRAMALO: Yes. Yes.

6 MR. WEINBERG: So we see that as just a mistake  
7 that can be easily corrected and would have  
8 100 percent of the support.

9 MR. SIEGEL: So that's not your issue with  
10 being cautious?

11 MR. PETRAMALO: No. This issue with being  
12 cautious is this is very politically sensitive.

13 MR. PETTY: It might be a very big first step.

14 MR. WEINBERG: This has the opportunity to be a  
15 buzz saw and we don't want anyone to harbor any  
16 illusions otherwise. In the past, this has  
17 attracted a fair amount of attention.

18 MR. STEWART: It's already been said if we all  
19 just sit here and do nothing, then nothing will  
20 happen.

21 MR. PETRAMALO: No. I didn't mean to --

22 MR. SIEGEL: That was my question. To expect a  
23 different result, I mean a lot of time and effort  
24 has gone into this and money from lobbyists in  
25 support of it and I guess I just wonder what's the

1 risk to this commission. What's the realistic risk?

2 I'm sorry.

3 UNKNOWN SPEAKER FROM PUBLIC: Again, just as I  
4 know the Commission, you all are here to promote  
5 Thoroughbred racing in Virginia, among other duties,  
6 and if the consensus is you see this bill as  
7 promoting Thoroughbred racing in Virginia, then I  
8 don't understand what the --

9 MR. SIEGEL: Well, that's what I'd just like to  
10 just get explained. I personally -- I think any  
11 legislation we can get to improve our -- or at least  
12 given an opportunity for improvement of Thoroughbred  
13 racing in Virginia, I think is a good thing and I  
14 haven't heard from the other commissioners, but I  
15 support that and I just am wondering what is the --  
16 Is the political risk that is being referred to the  
17 realistic political risk as anybody would see it.

18 MR. WEINBERG: Maybe we should drop back.  
19 Clearly, this has a substantial opportunity to  
20 increase the purse funds and revenue of pari-mutuel  
21 wagering and that's what has proved true in states  
22 that have gone forward and most recently in  
23 Kentucky.

24 The political risk will not be new. It is just  
25 the human cry of expansion of gambling in the

1 Commonwealth.

2 MR. SIEGEL: That's what they say about racing  
3 in general, yet here we are.

4 MR. STEWART: I think what Jim's probably about  
5 to say is Colonial Downs has operated within that  
6 political risk ever since it was formed, so for us,  
7 it's no escalation of any risk at all.

8 MR. WEINBERG: I mean not to speak too much.  
9 The political risk for Colonial Downs is that not  
10 only does it not go anywhere, but there's some  
11 retribution, there's some scaling back, for example,  
12 for account wagering.

13 MR. SIEGEL: Has that happened?

14 MR. WEINBERG: It has been threatened in the  
15 past, but it has not happened. But as a consequence  
16 of promoting it, no, there has not been any  
17 retribution.

18 MR. PETRAMALO: I just don't know -- Well, let  
19 me back up.

20 To be candid, our criticism of the Commission  
21 in the past has been with regard to its  
22 Switzerland-like approach to just about any  
23 legislation that we collectively put forward,  
24 whether it was interest in racing or what we call  
25 the OTB lights, et cetera.

1           It would have been, we think, very helpful if  
2           the Commission, the regulatory body, was saying yes,  
3           we're behind in 100 percent with the industry.

4           The Commission hasn't done that and I assumed  
5           that it was because you report to the Secretary of  
6           Commerce, who reports up the chain ultimately to the  
7           governor and the word always was be like  
8           Switzerland.

9           Now, what the legal constraints are on the  
10          Commission, I don't know, but I think you'd have to  
11          determine beforehand to what extent you were a free  
12          agent.

13          MR. SIEGEL: Well, maybe we should do that. I  
14          haven't been here quite as long as David has, but I  
15          don't ever remember this discussion or being asked  
16          to make an endorsement or being cautioned against  
17          doing so.

18          And I just -- Again, I don't really know what  
19          kind of retribution this Commission could have,  
20          other than perhaps a letter saying they wish we  
21          hadn't done that.

22          MR. WEINBERG: I think there is an opportunity  
23          for the Commission, if the Commission so chooses, to  
24          be supportive, to get out in front and say --  
25          address wholeheartedly this is activity that's gonna

1 be closely regulated. We have a 20-year history of  
2 doing it and we know how to do this stuff.

3 MR. SIEGEL: Yeah. I think if you do support  
4 it and you have a position paper that's saying this  
5 is why we're supporting it, I think it would be hard  
6 for anyone to question whether or not our intentions  
7 are honorable.

8 MR. WEINBERG: Correct.

9 MR. SIEGEL: Again, I said this earlier, but I  
10 think if you expect this bill to move forward any  
11 more successfully than it has in the past, then you  
12 have to do something different.

13 If this Commission supporting it helps in any  
14 fashion, then I as one commissioner, I'm not as  
15 concerned about it, but I do hear concern at least  
16 from one commissioner and also from two or three  
17 folks out there and so I also may be naive.

18 MR. WEINBERG: I welcome others who have  
19 different views, but I think the discussion occurs  
20 on Thursday morning. That has been the biggest  
21 hurdle to that type of legislation progressing in  
22 the General Assembly, is the gentleman that we would  
23 meet with Thursday morning.

24 MR. D. REYNOLDS: You've got the meeting  
25 Thursday morning?

1 MR. PETRAMALO: Yes. Yes, sir, and it's just  
2 to talk about this pending joint resolution setting  
3 up a committee to study the industry.

4 MR. D. REYNOLDS: Would it be appropriate if we  
5 had a position paper or talking point or something  
6 that this Commission supports that we can take to  
7 the meeting?

8 MR. SIEGEL: Just to add to what Dave is  
9 saying, it's possible and maybe it's a good  
10 compromise that we don't take action, but a position  
11 paper or certainly a few talking points as to why  
12 this Commission is in favor of it would be  
13 appropriate.

14 You could present that -- Bernie could present  
15 that and say that the Commission is not taking any  
16 official action, but the Commission believes that  
17 this is a good thing; at least the consensus of the  
18 group is that it's a good thing.

19 So you know, we're sort of halfway pregnant  
20 here. We really haven't taken any action, but we  
21 do have a consensus of the group. If we do that, we  
22 think this is a good thing.

23 MR. PETRAMALO: Well, Mr. Chairman, if you're  
24 talking about Senate Bill 68 --

25 MR. SIEGEL: Two sixty-eight.

1 MR. PETRAMALO: Two sixty-eight. Sorry. I  
2 think the appropriate place to start would be with  
3 Senator Norment. In other words, if you wanted to  
4 put together --

5 MR. HETTEL: I agree with that position. Let's  
6 chew this one bite at a time. I'm happy to come  
7 Thursday with you --

8 MR. PETTY: You don't want to muddy that water.

9 MR. PETRAMALO: Yeah.

10 MR. HETTEL: -- and talk about the joint  
11 resolution and let's let this other thing proceed on  
12 its own.

13 MR. PETRAMALO: I think Senator Norment would  
14 be pleased as punch if the Racing Commission were on  
15 board with his Bill 268 with the position paper, et  
16 cetera.

17 MR. PETTY: I think by way of explanation, and  
18 you all correct me if I'm wrong.

19 The reason they're having to jump through some  
20 hoops on the joint resolution for the study  
21 committee is because two or three years ago, I  
22 believe the General Assembly stopped doing study  
23 committees and so it requires a little special, more  
24 complicated procedure to get one and I think it's  
25 tremendously important.

1 I think for the industry and the race track and  
2 Commission to have an opportunity to sit before  
3 select members of the General Assembly and really  
4 explain what our issues are is very important and  
5 I've seen how its worked in other states when they  
6 tried to expand or tried to change the value of  
7 these meetings, where if you could talk to five or  
8 six men at a time out of that crazy General Assembly  
9 environment.

10 So I think this is very important and I think  
11 it would be tricky to muddy the waters by talking  
12 about that and Senate Bill 268, which he is going to  
13 be vehemently opposed to.

14 So I think -- and Bernie and Frank have hit the  
15 nail on the head. Get through this meeting, get  
16 this joint resolution for the study committee moving  
17 forward and then maybe the first baby step is for  
18 the Commission to reach out to Senator Norment and  
19 say if you can get this thing at six percent, then  
20 everybody's on board and just play out the process  
21 from there.

22 MR. SIEGEL: Any commissioners disagree with  
23 that? Do you think that's the best approach?

24 MS. DAWSON: I like what he said. Yeah.

25 MR. SIEGEL: Yeah. I mean I think it's clear

1 that, you know, amongst everyone in this room -- I  
2 don't want to speak for everyone -- but it appears  
3 to me everyone in the room is in heated agreement on  
4 this and I sort of believe that, you know, we  
5 shouldn't let that opportunity die.

6 What action we take we could argue, but I think  
7 the message needs to be sent that this Commission is  
8 in support of anything that helps horse racing and  
9 so I'm okay with not taking action, if that's the  
10 best recommendation we have.

11 MR. HETTEL: It is certainly on in the session.  
12 Let's see this thing proceed. We'll go ahead and  
13 have the meeting Thursday and Frank and I can talk  
14 more on 268. The first thing he's got to do is  
15 change it.

16 MR. SIEGEL: Right. If there's some reason for  
17 us to take some action, if that's the decision prior  
18 to our next meeting, we could poll the board. We  
19 could have a telephonic meeting. We could do -- We  
20 could figure that out.

21 MR. PETTY: Well, I think also as you go along,  
22 and it may not be needed, but I mean in the past,  
23 we've had chairmen and members of this Commission  
24 that have been kind of fundamentally political  
25 analysts and they got involved, I guess they would

1 say as individuals, and their presence at these  
2 various committees and subcommittees and their  
3 ability to speak I think has been very helpful and  
4 we haven't seen that in quite a while.

5 We've had any number of bills go through the  
6 General Assembly and the staff will go and monitor  
7 what's happening, but we haven't had, you know, the  
8 Robin Williams or the Anne Poulson who would stand  
9 up and say I'm the chairman of the Virginia Racing  
10 Commission and this is what I think.

11 I think that's settling, for lack of a better  
12 term, to the members of those committees to have the  
13 regulatory agency go, it's okay. This isn't  
14 something to run from the room screaming with your  
15 hair on fire.

16 So I think any endeavor that this Racing  
17 Commission makes to get more involvement in that  
18 process gets the full endorsement from the VTA;  
19 whatever level is comfortable and whatever level  
20 makes political sense from a strategy standpoint.  
21 But I'd love to see you more inclined to charging  
22 than retreating. And I'll shut up.

23 MR. SIEGEL: Yeah. I agree with that.

24 Okay. So is it the feeling of the Commission  
25 that we should take no action on this but stand

1 ready, if necessary and appropriate to do so?

2 MR. D. REYNOLDS: I have a question. Does that  
3 mean you're not gonna discuss 268?

4 MR. HETTEL: We're not gonna discuss 268. This  
5 is a joint resolution. I think you've got a copy.  
6 I sent it to everyone. It's two separate meetings.

7 MR. SIEGEL: I've learned that in this  
8 discussion.

9 MR. PETRAMALO: I think the Commission maybe  
10 ought to consider itself in a holding pattern  
11 pending discussions with Senator Norment.

12 We can have our legislative representatives  
13 talk to Senator Norment and see where he thinks this  
14 bill can go and just say to him, look, if the Racing  
15 Commission gets on board, would you be interested,  
16 and if so, then I think as a Commission, you can put  
17 together a position paper or decide however best  
18 you'd like to support it.

19 MR. SIEGEL: Okay. I think that seems to be  
20 the consensus of the group, so we'll just take no  
21 action. But this has been important dialogue, I  
22 think, to have because I do agree that it is  
23 important.

24 I mean I think each one of us as commissioners  
25 want to make a contribution and simply be

1 Switzerland isn't necessarily making a full  
2 contribution. So it's an opinion of one.

3 All right. Any other discussion on this at  
4 all?

5 NOTE: There is no response.

6 MR. SIEGEL: Hearing none, any members of the  
7 public that are here that would like to speak on  
8 anything?

9 NOTE: There is no response.

10 MR. SIEGEL: Okay. Talking about the next  
11 meeting and future meetings, there's been some  
12 discussion between Bernie and members of the  
13 Commission about not necessarily meeting 12 times a  
14 year and perhaps to have full, complete agendas to  
15 meet less frequently.

16 What we plan to do is to set forth a calendar  
17 so everyone can plan well in advance, and as we do  
18 at each meeting, as we talk about when the next  
19 meeting is scheduled, if there are some changes that  
20 we need to make or some tweaking based on some  
21 conflicts, we can always do it by a day or two and  
22 we've done that quite often.

23 But today, I'd like to set the next meeting and  
24 then we can put a calendar together between now and  
25 that time for the rest of the year.

1 I understand, Ian, that you have something that  
2 you'd like to be heard on with regard to OTB perhaps  
3 next month, but my question -- February. My  
4 question is: Would that -- Would it be sufficient  
5 to do that the first week of March?

6 MR. STEWART: Well, I mean sooner is better  
7 because we really can't do anything until --

8 MR. SIEGEL: Right. So in terms of your  
9 calendar --

10 MR. HETTEL: When would you be ready?

11 MR. STEWART: I think we could be ready within  
12 two weeks.

13 MR. SIEGEL: I don't think there's any purpose  
14 for us to meet two weeks from now.

15 MR. HETTEL: Okay.

16 MR. SIEGEL: I mean I think we could -- Is it  
17 so time sensitive if we set this meeting three or  
18 four weeks from now in mid February that that would  
19 be a problem?

20 MR. STEWART: That's not a problem. Mid  
21 February is fine. What we're talking about is a  
22 potentially new OTB, and I assume we cannot proceed  
23 unless it's approved by the Racing Commission.

24 From our standpoint, sooner is better. Mid  
25 February.

1 MR. HETTEL: It's a matter of availability.  
2 When would you care to meet, Mr. Chairman?

3 MR. SIEGEL: Well, I could propose a couple of  
4 dates from my calendar. Tuesday, February 14th is  
5 Valentine's day. Anybody have a problem with  
6 Valentine's day? I think that's a day where I am  
7 available.

8 MR. STEWART: That's fine with Colonial Downs.

9 MS. DAWSON: What about the 15th?

10 MR. SIEGEL: The 15th I have a conflict, but I  
11 could do the 16th. Do you have a conflict on the  
12 14th?

13 MS. DAWSON: Yeah.

14 MR. SIEGEL: Okay. How about Thursday the  
15 16th?

16 MS. DAWSON: Sounds good.

17 MR. SIEGEL: Is that good with everyone?

18 NOTE: There is no response.

19 MR. SIEGEL: Okay. So let's set Thursday,  
20 February 16th at ten a.m. Does ten a.m. work for  
21 everyone?

22 I know one of the reasons we did ten was the  
23 former chairman had a long drive. Our newest member  
24 has an hour-and-a-half or so drive. Would that work  
25 best for you?

1 MS. DAWSON: That would be great.

2 MR. SIEGEL: Let's set it at ten o'clock on  
3 Thursday, February 16th.

4 Is there any other business that needs to come  
5 before this Commission? Do we have a need for a  
6 closed meeting?

7 MR. HETTEL: No, sir.

8 MR. SIEGEL: With that, I'll ask for a motion  
9 to adjourn.

10 MR. S. REYNOLDS: So moved.

11 MS. DAWSON: Second.

12 MR. SIEGEL: With that, we are adjourned.  
13 Thank you very much.

14

15 NOTE: The hearing is adjourned at  
16 10:46 a.m.

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## CERTIFICATE OF COURT REPORTER

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

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

Given under my hand this 16th day of April, 2012.

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**SANDRA G. SPINNER**

**COURT REPORTER**