VIRGINIA RACING COMMISSION

JULY 12, 2012

10700 Horsemen's Road

New Kent, VA 23124

Commencing at 5:00 p.m.

COMMISSION MEMBERS:

Stuart Siegel, Chairman
J. Sergeant Reynolds, Jr.
David C. Reynolds
Carol G. Dawson
Stran Trout

COMMISSION STAFF:

Bernard Hettel, Executive Secretary
David S. Lermond, Jr., Deputy Executive Secretary
Kimberly M. Carter, Office Administrator

ATTORNEY GENERAL'S OFFICE

Joshua E. Laws, Assistant Attorney General
Amy K. Dilworth, Assistant Attorney General

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1. Approval of the minutes of the regular meeting of May 9, 2012.
2. Commissioners Comments
3. Committee Reports
4. Executive Secretary's Report
   a. Approval of Racing Officials - 2012 Harness Race Meet
   b. Approval of Judges
5. Stakeholders
   a. VHBPA Request - Make up day
   b. Colonial Downs - Update on the 2012 Thoroughbred Race Meet
   c. Colonial Downs - Plans for the 2012 Harness Race Meet
6. Public Participation
7. Set Next Meeting -- October 10, 2012 at 11:00 a.m.
8. Closed Meeting
9. Adjournment
NOTE: The meeting is called to order at 4:59 p.m.

MR. SIEGEL: We'll call to order the July meeting of the Virginia Racing Commission.

I would first like to introduce our new Commissioner. He's apparently a very familiar face around New Kent County, and I have actually looked his resume up online, and it is way too long for any of us to read in a reasonable amount of time. Stran Trout, welcome.

Stran has been involved in about everything there is to do in this County and beyond, and we look forward to his service, and he will add a lot of value to our deliberations.

Anything you would like to say?

MR. TROUT: Thank you much.

I'm looking forward to working with this group. I've been involved from the County end for a long time, and as I mentioned, a lot of people even with the track may not know this, but way back in the late 1980s with the Chamber of Commerce, when we were trying to get racing in New Kent County, we had no idea what was involved, even so far as serving Mint Juleps down at the Wakefield Shad Planking.

In the Mid-'90s, I was Chairman of the Planning Commission and appeared before this Commission to explain that New Kent County zoning was all set, we didn't have to do anything, vote on anything in order for the Track to come
out here, and from then on, it's worked out pretty well, so --

MR. SIEGEL: Well, good.

MR. TROUT: Appreciate it.

MR. SIEGEL: Well, we appreciate your willingness to serve.

The first item beyond introductions is the approval of the minutes from the last meeting. They were distributed, of course, to the Commission. Anybody have any additions, corrections, or comments?

Otherwise we'll entertain a motion that they be approved.

MR. J. SARGEANT REYNOLDS, JR.: So moved.

MR. SIEGEL: Is there a second?

MS. DAWSON: Second.

MR. SIEGEL: Everybody that was here has stated they were, so we are approved.

The next item is also a good opportunity to welcome Josh Laws who is from the AG's office, and he will be representing the Attorney General and this Commission, and we appreciate your being here.

We also want to thank Amy Dillworth for the all years of service that she's provided. She's moved on to bigger and better things and decided to be full-time at the Lottery. Hopefully they've got plenty of work for her to
do, and we really do appreciate, Amy, everything that you've

done in your efforts; and Josh, we welcome you as well.

MR. LAWS: Thank you.

MR. SIEGEL: Committee Reports. As I understand,

we have no committees that have met, so there are no reports

and that takes us to the Executive Secretary's report.

Mr. Secretary?

MR. HETTEL: Yes, sir, I have just a couple of

things.

In lieu of having another meeting prior to the

start of harness racing, I met with Dr. Dunnavant. I'm

seeking that you defer the approval of the racing officials

and the judges pending my negotiation with the judges and

Colonial Downs of the assembly of racing officials for the

2012 Harness Meet.

MR. SIEGEL: Does that require affirmation?

MR. HETTEL: Just give me permission to approve

those officials as I assemble them.

MR. SIEGEL: Okay. Everybody good with that?

NOTE: All Commissioners indicated in the

affirmative.

MR. SIEGEL: Okay. You are so ordained.

MR. HETTEL: And while I'm at it, may I introduce

my Thoroughbred Stewards. Mr. Phipps, would you stand up

and be recognized? Mr. Phipps comes to us from the New York
Jockey Club. He worked at Jockey Club Security. He also worked in Hong Kong and Maryland. He's one of our new additions; and is Ronnie Herbstreet -- okay, Ron Herbstreet our new Steward, is on duty. Dave's also a steward for the thoroughbred people. Everybody have a face and name for Mr. Phipps? So far so good, and we'll continue on with the good racing.

Other than that, I have nothing, sir.

MR. SIEGEL: Okay. The next item is the Stakeholder's Report. Steph, do I understand that you have a report to make with regard to date agreements and number of races?

MS. DIXON: Basically, I think we've come to an agreement on that. The make-up day is going to be Wednesday, July 25th, is that right?

MR. WEINBERG: Correct.

MS. DIXON: Is that what we're doing? And then one additional day for six days, is that correct?

MR. HETTEL: No, no, six additional race days.

MS. DIXON: I'm sorry, six additional days.

MR. SIEGEL: Six different days?

MS. DIXON: Yes.

MR. STEWART: No, four days actually.

MR. SIEGEL: So you have two and you have one --

MR. WINGROVE: Yes, one on the 14th and one on the
15th.

MR. SIEGEL: And what are those dates?

MR. WINGROVE: The make-up days, the entire day is the 25th; the added races will be on the 14th, the 15th, the 21st, and the 28th.

MR. SIEGEL: Okay.

MR. WINGROVE: Of July.

MR. SIEGEL: Okay.

Colonial Downs have comments? I understand, Ian, you have something you want to talk about?

MR. STEWART: Well, I was just going to mention the request, you-all requested an update on the Thoroughbred Meet. To date, we've had 20 days. Our attendance is up about 6400 people over last year; we've had some pretty good days. Our opening day with the Steeplechase races, we had 5300. We had the Turf Cup with 3700. Father's Day was a pretty good day; we had the camel and the ostrich race we had 4700 people. July 4th, I thought went very well; attendance was 6681; that's a pretty good night.

Friday nights have been disappointing; we haven't really gotten much traction on Friday night.

If you look at the wagering, the wagering on-track is down about $200,000. Our per capita at this point is just shy of $52, which is down from last year. Last year we were in the neighborhood of $66.
where the change really is occurring, it's the  
wagering out of state is down about a third against last  
year. We lost a number of people that were taking us to  
Bridge Track at 5:00 o'clock, and we really weren't able to  
replace them with the California market. California has  
only taken us for one day.

Obviously, it's tough to compare the days because  
of the differences in the post times, but if you, for in-  
stance look at Sundays where we've run at the same time for  
four days, we've had four Sundays this year so far, and you  
have to look at it on a per-race basis because there's a  
different number of races. On that basis, we're only down  
1.6 percent, so I would say most of the difference is prob-  
ably in the post time. So there's an effect on our horses  
per race, at this point are 8.32. If you look at it last  
year, it's 8.91, so we're down two-thirds of a horse, which  
also has an impact.

So like most things, it's kind of a mixed re-  
sult. We're getting more people out here, which long-term  
is probably the most important thing. But they're betting  
less, and I think the other thing too is that somewhere  
along the line, the impact of the purse level I think is  
really starting to show, especially if you start to look  
back -- if you look back say six years to 2006, our out of  
state signal sales are down about 60 percent, so it's --
MR. SIEGEL:  What do you attribute that to?

MR. STEWART:  Well, I didn't spend a whole lot of time studying what we did six years ago, but I think it's a combination of the purse levels relatively aren't as high as they were, I don't believe, six years ago, because there isn't as much money in the purse kitty; and also, there's variances in the post times, and there's certainly a lot of variances in the overall pari-mutuel wagering market. It's much different today than it was then.

MR. SIEGEL:  So lots of these issues are suffered by every race track?

MR. STEWART:  Certainly.

MR. SIEGEL:  So would you say that most of your peer group, if you will, are suffering from numbers similar to yours?

MR. STEWART:  Well, that's hard to say, because if you look at the national trends, nationally this year, I don't know, it's -- the total para-mutuel handle I think is off six or seven percent.

MR. LERMOND:  Uh-huh.

MR. HETTEL:  It was up slightly last month though, I believe.

MR. STEWART:  Yes, we picked up a little bit, and that trend has continued. It's not as bad as it was a year ago.
MR. HETTEL: Every year, the number is down from it's previous.

MR. STEWART: Exactly.

MR. HETTEL: Month to month and for all of the promotions and all of the good work you-all do and other race tracks in other parts of the country, it gets back down to the meets still do the best: Keeneland does well, Saratoga does well, Delmar does well. It's probably some pockets of harness racing.

Doc, would Meadowlands be better than --

DR. DUNNAVANT: Yes, Meadowlands is the best race track: Better horses and they're close to more population than anywhere else.

MR. HETTEL: Well, that, and I think that's one of the factors here is the distance from any discernable appreciation of a population base. You know, it's 30 miles from Richmond and 25 miles from Williamsburg --

MR. SIEGEL: But they're going against their own statistics with these numbers that Ian mentioned.

MR. STEWART: Well, I think Bernie's point is that we've been in this situation probably -- I don't know where it peaked, but I think it peaked around 2006-2007, the pari-mutuel handle, and ever since, it's been going south, and that's the fact of the matter, and as Bernie says, there's a lot of smart people in this industry that work...
very hard, and they have not reversed that trend, and I'm not claiming to be one of the smart people in the industry. On the other hand, you're swimming upstream.

MR. SIEGEL: I was just sort of interested in how your numbers compared to other race tracks, and it appears that it's -- other than these few pockets of the key tracks and whatnot, everyone's experiencing a downturn. Maybe not as great as ours, but perhaps some are?

MR. STEWART: There's no question. But all that being said, we still have to figure out a way to pay the bills.

MR. SIEGEL: Yes, I realize that, and there's things that you're arguing and will continue to do to try to stem that tide.

MR. STEWART: Right.

MR. SIEGEL: It's apparently suffered all over the country. And your signal is not as widely distributed as you would like, right?

MR. STEWART: It's fairly widely distributed. I think that we're not in the California market, but the California market's is unique in that they have state laws and regulations that limit them to approximately 30 races outside of California on a given day. Well, 30 races isn't very many races, so --

MR. SIEGEL: But you're everywhere else you want
to be?

MR. STEWART: Well, Jeff can speak to that better than I can. I mean the only major person that I feel is not taking our signal is DTV. Beyond that, am I missing anything?

MR. WINGROVE: No, that's accurate.

MR. SIEGEL: Is there a way to change that -- reasonably?

MR. STEWART: I've not discovered one.

MR. SIEGEL: Is there any dialogue going on, or is this pretty much a dead issue?

MR. STEWART: I think it's pretty dormant. I think everybody understands where they stand, and I guess everybody's happy where they are.

MR. SIEGEL: You want to comment on the upcoming harness meet as well?

MR. STEWART: I don't have a whole lot to say about it other than we're concentrating on the Thoroughbred Meet.

MR. HETTEL: I think Charlie can probably help us with that.

MR. SIEGEL: Yes, but I just didn't know whether you had any plans for that meet. He's here; we can certainly talk to the horsemen.

MR. WEINBERG: We started planning -- there's
nothing concrete. We're trying to get through the Derby, I think next Saturday, and then kind of switch gears at that point.

MR. STEWART: The major event, as has been in the past, we'll coordinate with the New Kent County Fair.

MR. SIEGEL: Charlie, do you have a comment?

DR. DUNNAVANT: On the horsemen's side, I was in Maryland Monday with the race secretary at Ocean Downs. He has sent out quite a few stall applications and sent out an early closer program, which is kind of our state program beside our Breeder's Stakes, and I talked to quite a few horsemen there, and most of the people that I talked to that have been here before are looking forward to coming back, so hopefully we're going to have a full field of horses.

In our contract, we made a couple of changes where we're not going to race in the overnight races with eight horses to the field, and I think that will help the numbers of horsemen that come. Hopefully, we'll be able to put on a good show.

MR. SIEGEL: There's been a fair amount of conversation with regard to the Senate hearings that are going on now, as I understand. Some we were watching on a podcast earlier. I thought we'd have a little discussion about that.

If I can get anyone to comment that has one.
Bernie, you want to start off, since you have an overall
knowledge of what's going on up there?

MR. HETTEL: It's industry-wide that there's been
some pressure to change the daily racing protocol. The
Jockey Club has been particularly interested in doing that,
and they have done several studies and several meetings in
the last couple of years to try to effectuate every state
changing. Most recently, Kentucky changed their daily medi-
cation protocol. It now requires information provided by
the state senate. The state senate met, opened yesterday in
Kentucky, and they wanted to have more Senate and state
hearings concerning that.

It's a very volatile issue most everywhere, and
now Stephanie has a hand-out for us. Frank Petramolo could-
not be here today because he's in Washington, DC, bolstering
the people who are speaking before the Senate today. Within
that -- this is a pretty nice prepared document; Frank gave
it to me a couple days ago, and it pretty much articulates
the position that the Thoroughbred horsemen have.

I'll turn over the conversation to Dr. Charlie,
and I think he'd like to give us a few words on it this
afternoon also.

We're going to be asked somewhere along the line
to make some declaration of what we're going to do, so I
know that you've had conversations with Will Farish about
Kentucky, and he's vital to Kentucky racing. The Farish family, they own Lane's End Farm, and they're pretty dominant within the Jockey Club also.

What -- Doc or Sarge, can you help me a little bit on what Kentucky's doing and what Will and Bill Farish think?

MR. J. SARGEANT REYNOLDS, JR.: Well, I think according to Bill it's a big battle between a lot of the horsemen and the trainers. I think a lot of the trainers that I've talked to associated with Bill like the medications, would like to see it, it's perfectly safe, and what they ought to do is when they have the bad actors come in, discipline them and discipline them severely, and that's the real problem with the whole thing.

Bill's attitude is that he feels like we should just get rid of all the medicine. I don't know if that's a hard stance, but that's what he's thinking right now.

So there's a lot of mixed views there right now.

MR. HETTEL: Well, yesterday in the New York Times, there was a continuing article that's been going on really since the first of the year, and yesterday's article portrayed that the winner of the Kentucky Derby might be too much of a sound horse and his trainer had numerous violations in terms of race day medication and milkshakes and that sort of thing. It was such an important article in the New York Times.
York Times, it made it on NBC News last night, the 6:30
news, and then they continued to talk about it this morning
on the NBC affiliates also.

Steph, could you fill us in and just give us a
little brief synopsis of what they've put together?

MS. DIXON: Basically, it's -- this was put out
by Phil Hanrahan, who's the CEO of the National HPBA, and he
basically in a nutshell just lists all the issues with the
misstatements from the public media regarding the alleged
medications. There's a long list in here of all the medi-
cations that they're speaking of by the different states;
that's on page three. But I know Dr. Dunnavant can probably
elaborate on it a little bit more as far as the medications
they're speaking of.

DR. DUNNAVANT: Yes, I haven't seen that list.

I think here in Virginia, you know, we allow
bleeder medications, Lasix, furosemide, and the adjutant
medications for bleeding, and then electrolytes, and they
have not been a problem. Dr. Harden, he and I have had
quite a few discussions, and he's sent out an e-mail to the
trainers, horsemen, veterinarians. When did you do that, in
March? February or March?

DR. HARDEN: March, I think.

DR. DUNNAVANT: And I've had input back, and I
think he'll agree with me that we thought here in Virginia
we had a pretty good medication rule, and the medications that we used on race day were for the benefit of the horse and were not performance-enhancing medications. By eliminating the bleeder medications, it's not taking the welfare of the horse into consideration, and that, I think you'll find, is the opinion of most all the veterinarians and the American Association of Equine Practitioners take that same stance that what's good for the horse is the way that we should go.

MR. SIEGEL: Dr. Harden, do you want to add anything to that?

DR. HARDEN: Well, the paper -- I read the paper presented by HBPA, and I thought they did an excellent job of presenting the case, and I have to compliment them on the quality of that paper. And presently, I think the Virginia medication rule is probably right where we need to be, and we're sort of keeping our eyes open as to what is happening in other jurisdictions around. Because of our short, limited racing season, we're kind of subject to what the other states are doing. We can't be the cutting edge and expect horses to come here and race for the short meet and the purses that we have.

Our problem right now, though, is we probably have the finest lab in the world testing our samples, and we're finding traces of medications five, six, seven days
after administration. It has no effect on the horse on race day, but we're finding it in the samples, and so we are beating our heads against the walls trying to reconcile that issue.

But at any rate, going forward, we're going to try to be in communication with the trainers, the horsemen, the veterinarians in other jurisdictions in the neighborhood so that we're compatible with what's best for the horses, the public, the racing industry, and the horses.

MR. SIEGEL: Anyone else want to comment?

MR. HETTEL: Mr. Chairman, just one point. Earlier this year, one of the alternatives that was discussed was to have race day medication administered by a state regulator, a state veterinarian as opposed to a private practitioner.

That would be of some difficulty, but in essence, we're talking about therapeutic medications: Lasix medication, anti-bleeder medications that prevents a horse from an exercise-produced pulmonary hemorrhage. It's proven without equivocation that the horses can bleed, and if this can prevent it or at least mitigate it somewhat, it's a useful medication.

The other big medication is Butazolidine, of course, which is a nonsteroidal anti-inflammatory? Is that right, Doc?
DR. HARDEN: Yes.

MR. HETTEL: And that's used with regular
necessity on some horses that just need some help on their
pain relief.

As you know, everybody who's been an athlete,
there's not any animal or human who competes at any level of
athletics that doesn't have some kind of minor injury every
once in awhile, and horses are pretty typical of that.

So again, one of the thoughts or one of the
alternatives was taking it out of the private practitioner,
and that way, a private practitioner doesn't have to touch
the horse on race day. That then eliminates all of the
other illegal things. Right now -- what's that frog stuff,
Doc, dermorphin? I mean who would ever have thought you
could get the skin of a frog and have that affect a horse?
But it does. Doc can tell us all you want about the --

DR. HARDEN: Well, I think in humans, years ago,
they found that it had a hallucinogenic effect very much so
that a lot of people were experimenting with what they call
"licking the frog," but it's an amphetamine-type substance
that has a profound effect on race horses, a painkiller and
stimulant, so it's a bad drug that we need to keep out by
all means.

MR. HETTEL: So my point is if we could eliminate
all that stuff, all that stuff that has no therapeutic uses
in a race horse, then we could just get it down to thera-
peutic medication given by a state player, a state veterin-
arian, and I think the issue would pretty much be relieved.
It's the outrageous stuff, the frog, the dermorphin and all
those things that have no business in a horse or in a human.
That's where the bad headlines come up. It's not that the
horse has bled and got medication to keep him from bleeding.

But in all deference to the Jockey Club, their
idea of hay, oats and water -- I mean no medication would be
the simplest solution, and then it would inspire people that
had a problem, to regain confidence in horseracing. I don't
know if their logic strictly applies, but --

MR. SIEGEL: Well, they're purists anyway, the
Jockey Club.

MR. HETTEL: See, they set the standard for black
tie. They're the ones that control the telebook; they're
the ones that say how the race is graded. In terms of the
economic possibility of that, you'd better have them on your
side when you do something, or in essence, we can run a lot
of horses and not have much to show for it.

DR. HARDEN: I just wanted to expand briefly on
something Mr. Hettel said about we allowed Butazolidine, but
we do not allow that on race day. It is a nonsteroidal
anti-inflammatory, a painkiller. It's allowed the day be-
fore, 24 hours before. The painkilling effect of it is over
and done with by the time we race; however, there's still a trace in the blood, and that's why we have our regulations written to allow a trace in the blood, and we're very strictly in control of what that level is, but the pain-killing effect, if I can use that expression, is over and done with by the time the horse races. So I just want to reiterate that: We do not allow horses to race on pain-killers in Virginia or in any jurisdiction, but we do allow them to have a residue in the blood of that medication.

MR. SIEGEL: Got you.

MR. HETTEL: Dr. Charlie, would it work to have a state veterinarian give the Lasix shot? Would that eliminate the problem, do you think?

DR. DUNNAVANT: I don't think so. The logistics of it would be hard.

MR. HETTEL: Yes, it is.

DR. DUNNAVANT: You would have to have numerous state veterinarians.

MR. HETTEL: Well, the only reason I bring it up is my history, because we did it that way for harness horses 30 years ago when I was there. I had one veterinarian in one spot and they brought the horses to her. The problem dropped substantially because the state bought the medication and it was a minimal charge of whatever the hypodermic cost and the medication cost, so it reduced the price a
great deal. Most of the harness guys loved that part of it, except they had to move the horses. And of course harness horses are easier to move than Thoroughbred horses to where the veterinarian was stationed.

DR. DUNNAVANT: It's still in most race tracks, harness race tracks, there's one veterinarian administering the Lasix on the horses. He's a private practitioner that, you know, is doing that. It's not a state vet. All of them have state veterinarians there, but his other duties don't allow him the time to administer, you know, the Lasix to every horse.

MR. HETTEL: Uh-huh.

DR. DUNNAVANT: Rich, what is your view?

DR. HARDEN: Well, we would have to hire additional staff to do it. With our present staff, we physically couldn't do it unless we gave up other duties, which personally, I consider more important.

DR. DUNNAVANT: Here again, if there is a violation, be it a private veterinarian or a trainer or what, I think the answer is the penalties that are applied when you have a violation, and the testing procedures are pretty good in picking up things. Now they have some designer drugs that, I've been practicing over 40 years, that I've never heard of to this day that chemists are coming up with to put in horses that have no business there, and we
have to stay on the cutting edge to detect those things. But when they're found, I think maybe we should have more severe penalties than we do.

MR. HETTEL: Well, one of the discussions on that podcast, the very early one at the Kentucky Derby, they said it's three strikes and you're out, like the California felony rule, three strikes and you're out. That would eliminate this guy with the Kentucky Derby issue because he's already got four.

DR. DUNNAVANT: I've got a friend in the harness horse business, and I reckon it's been 10 years ago now, and he got invited to an invitational race in Germany and said when they got there that the commission representative called all the trainers from the United States together and said, "You know, we don't know what your penalties are in the United States, but if you have a positive that shouldn't be here, it's three years in the Penitentiary," and they don't have a problem with three strikes and you're out. It's probably worse.

MR. HETTEL: Three years in the state pen would work too.

DR. DUNNAVANT: I mean maybe that's what we need to do. But --

MR. SIEGEL: Make it a felony.

DR. DUNNAVANT: -- if the penalty is severe enough
MR. HETTEL: Now, see now, you're exactly right, but a Bute overage is a penalty, but the frog juice is also a penalty, and this is on one end of the spectrum and that one's on the other. The guy that's using the frog skin probably needs to go away and never come back.

DR. DUNNAVANT: That's right, and not just the frog skin; there are other things that are bad that have no business in a horse. They're not therapeutic, and you know, but -- yes, I think the severity of the penalty for the bad things, and they move people off. We don't need them in the business, and I think that's probably the way to go.

But it needs to be uniform. Where a guy gets a positive in Delaware and comes to another state to race, that shouldn't be.

MR. TROUT: Let me ask you something real quick on that.

As I understand it, the limits on these various medicines are determined by state law as opposed to any national agreement. In the scenario you were just talking about, if you do a drug in one state and there will be some residual when the horse goes to another state, it might be picked up. Is that one of the problems that comes up?

DR. DUNNAVANT: No, I wouldn't say going from one state to the other. It's the labs that we have now.
horse could get some therapeutic medications on Monday when he's racing on Saturday or Sunday, and our lab can pick it up, and our rule says that he can't have that medication within 48 hours, but you can still get trace amounts.

MR. SIEGEL: Do you want to explain that?

DR. HARDEN: A big problem is that each state has a slightly different evaluation, so you -- for instance, you may race in Maryland with a drug we were talking about earlier, two micrograms of Methocarbamol in a horse's urine, and you come to Virginia and it's one microgram, so the trainer has to know to adjust the dose from state to state to state with all the different medications.

MR. TROUT: That's why I figured it seems with a very good lab, you could pick up residuals from -- that might have been legally given in another state, and then by the time the horse gets here, he's over the limit; and of course the traces, you're going to find those, and it varies with the drug, but some of those are going to show up anyway.

MR. SIEGEL: I think this is part of the mission of the Senate hearings, I guess, is to try to uniform these things around the country. I just might add that Senator Udall wrote a letter to me, as the Chairman, asking that we respond with answers to a number of questions, and Dave was nice enough to put together a series of responses for me,
and I imagine that every state was asked the same questions. I think they learned, if they didn't know before, that the game is played very differently all across this country.

I just -- I hope, my guess is, that they don't do something so severe to ruin racing. I think part of what the Jockey Club is suggesting might do just that. But we do need to get a handle on this illegal stuff and how it's used and when.

It sounds like we have a lot to be proud of in Virginia. We're pretty conservative when it comes to what we allow. Others may allow more. So to Doc Harden and to Colonial, I think we appear to be doing the right thing. Maybe not always, but most of the time, right?

DR. HARDEN: We're working at it. It's a work in progress.

MR. SIEGEL: We've had some trainers that didn't do the right thing that received penalties, and some don't race here anymore, but we try to run a clean ship.

MR. STEWART: I think the problem is, one thing I've learned in 15 years at Colonial Downs is perception is reality. This issue will not go away. Anybody that thinks this issue is going to go away is kidding themselves. We don't have to be in the forefront; we're lucky, we can wait and see what one of the bigger jurisdictions does because they're driving the bus, but one day it will be back on your
desk. No question about that.

    MR. SIEGEL: Well, even looking at the Olympic
sports and all the cheating going on, and people getting
caught, people thinking they can beat the system. It just
doesn't work in the long-run. Apparently, it's does for
some, I guess, if they can get away with it.

    MS. DAWSON: Mr. Chairman, just an observation:
I think the perception observation is one that we need to
take seriously, because that does affect attendance and
wager and everything else, and if you read The New York
Times pieces, they don't even tell you what the medications
are that are a problem, they just say powerful painkiller,
and what they're talking about is Bute, which everybody
who's been with horses knows that that's a staple, and it
goes on. I mean some of the other medications they're talk-
ing about are routine, and I don't think the public under-
stands that. All they can see and hear is that the horses
are racing when they shouldn't be racing because why else
would they be on medications?

    And I think those of us who are involved in this
have an obligation to try to set the record straight on
things like that. But when you're up against The New York
Times, you're at a disadvantage.

    MR. STEWART: The issue, quite frankly, is horses
getting hurt. I mean if no horses were getting hurt, nobody
would care. The problem is horses are getting hurt, and if you can somehow stop that, then I think the medication issue will go away.

MR. SIEGEL: They're athletes, and unfortunately, they cannot communicate like we can, so you just have to be ready with them to find it. That's even more difficult to do.

Any other comments on this issue?

Well, we'll make an effort to keep everyone apprized of what happens. I think even between the meetings, we can distribute any facts that are coming out of these Senate hearings. My guess is they're not going to settle it as quickly as everybody would like to, but we'll try to keep the horsemen advised, and the horsemen will probably get the information quicker than we will, the HPBA will. If so, please keep the Commission advised as well.

The next item on the agenda is public participation. Is there any member of the public here that would like to comment?

NOTE: There was no response.

MR. SIEGEL: Okay. Our next meeting is set on the calendar on October the 10th at 11:00 a.m. Is that still good with everyone? (To Mr. Trout) For your benefit, we often times find that someone has a conflict, and it's often times easy enough to move it a day or two if we need
to, but -- it's good with me; I assume it's still good with everyone?

MS. DAWSON: It will be here?

MR. SIEGEL: It will likely be here, and if it isn't --

MR. HETTEL: It's during the last harness race.

MR. SIEGEL: Yes, it will be here, but we'll keep everyone informed.

We -- the next item will be a closed meeting before we adjourn and you do have an issue, a personnel issue?

MR. HETTEL: I do have a personnel matter to discuss with you.

MR. SIEGEL: We're going to go into a closed meeting, but I would suggest that anyone that wants to hang around can do so, but no action will be taken in that meeting that we'll deal with.

Okay. In accordance with the provisions of Section 2.2-3711 (A)(1) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of discussion or consideration of the assignment, appointment, performance or salary of a specific public officer, appointee or employee of the Commission, and/or, in accordance with the provisions of Section 2.2-3711 (A)(7) of the Code of Virginia, I move that the Commission go into closed
meeting for the purpose of consultation with legal counsel employed or retained by the Commission regarding specific legal matters requiring the provision of legal advice by such counsel.

This is and/or, so I guess we can approve them together, right?

MR. HETTEL: Yes.

MR. SIEGEL: Is there a second to that motion?


MR. SIEGEL: All in favor?

NOTE: All indicated by voting aye.

MR. SIEGEL: We are in closed session. I guess we'll move over to your office?

MR. HETTEL: My office.

NOTE: The Commission goes into closed session at 5:38 p.m. and returns at 5:58 p.m. as follows:

MR. SIEGEL: The Chair will entertain a motion to come out of executive session or closed session. Can I get that motion?

MR. J. SARGEANT REYNOLDS, JR.: So moved.

MR. SIEGEL: And second?

MS. DAWSON: Second.

MR. SIEGEL: All in favor, say aye.

NOTE: All indicated by voting aye.

MR. SIEGEL: The Board took no action in closed
session, so there's nothing to vote on, and we are adjourned.

MR. J. SARGEANT REYNOLDS, JR.: I make a motion to adjourn.

MR. TROUT: Second.

NOTE: The meeting adjourned at 5:58 p.m.

HEARING ADJOURNED
CERTIFICATE OF COURT REPORTER

I, Roy Garrison Wood, hereby certify that 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 24th day of September, 2012.

ROY GARRISON WOOD
REGISTERED PROFESSIONAL REPORTER