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**VIRGINIA RACING COMMISSION**

4

September 20, 2012

5

10700 Horseman's Road

6

New Kent, VA 23124

7

Commencing at 11:07 a.m.

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**COMMISSION MEMBERS:**

Stuart Siegel, Chairman

J. Sargeant Reynolds, Jr., Vice Chairman

Carol G. Dawson

David C. Reynolds

Stran L. Trout

14

**COMMISSION STAFF:**

Bernard J. Hettel, Executive Secretary (via telephone)

David S. Lermond, Jr., Deputy Executive Secretary

Kimberly M. Carter, Office Administrator

Joseph M. Roney, Director of Security &amp; Operations

C. Richard Harden, DVM, Equine Medical Director

George Hickman, Harness Judge

19

**ATTORNEY GENERAL'S OFFICE**

Joshua E. Laws, Esquire

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## A G E N D A

	Page
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

1. Approval of the minutes of the regular meeting of July 12, 2012 -
2. Commissioners' Comments 3
3. Executive Secretary's Report
  - a. Final Amendments to 11VAC10-30-20(B) 4
  - b. Set Deadline for 2013 Race Day Requests 15
4. Stakeholders
  - a. Colonial Downs - SWF Application for Paradocks 30
  - b. Colonial Downs - The Refinancing of Jacobs Entertainment, Inc. 34
5. Public Participation 49
6. Set Next Meeting - Nov. 30, 2012 at 10:00 a.m. 49
7. Closed Meeting 49
8. Adjournment 50

1           CHAIRMAN SIEGEL: Is there any comment from any  
2 commissioner before we move forward at this time?

3           MS. DAWSON: I have one.

4           CHAIRMAN SIEGEL: Yes.

5           MS. DAWSON: I just wanted to say that I was so  
6 privileged and grateful to be able to go to the  
7 meeting of the Association of Racing Commissioners  
8 International this summer in Saratoga Springs, New  
9 York. It was very worthwhile. I learned a great  
10 deal. I would love to share it with all my  
11 colleagues. Not enough time in one meeting to do  
12 that, but I came back with a lot of new  
13 perspectives, and also a very positive reaction to  
14 the fact that there are many problems in racing  
15 today out there, obviously, but I think Virginia's  
16 doing very well.

17           I don't think we have the problems that I heard  
18 about at the meeting, and I hope we never do, but at  
19 the same time, it is good to be aware of those  
20 things and to keep up with what's going on in the  
21 industry.

22           It's a good organization, I believe, and I  
23 think we're doing good work, and I think we should  
24 continue to cooperate with them as much as we can.

25           CHAIRMAN SIEGEL: Thank you for that comment.

1           Anyone else?

2                         NOTE:   There is no response.

3           CHAIRMAN SIEGEL:   Okay.   We'll now move forward  
4 with the executive secretary's report.   Dave -- I  
5 might mention that Dave and the staff have been  
6 holding things together very well in Bernie's  
7 absence.   I believe, Dave, you're gonna make the  
8 executive secretary's report.

9           MR. LERMOND:   Yes, sir.   Thank you,  
10 Mr. Chairman.

11                         The first item I have is a amendment to  
12 11VAC10-30-20.   Just to give you just a brief  
13 background, the way this came about was I was  
14 approached by Mike Pearson, who is here today  
15 representing the Virginia Gold Cup Association.

16                         They were curious about what they would need to  
17 do to have pari-mutuel wagering on the two events  
18 they hold each year.   They have, I believe it's the  
19 first Saturday in May is the Virginia Gold Cup, and  
20 they also have the third Saturday in October, the  
21 International Gold Cup.

22                         He had been retained by the Gold Cup to look in  
23 to this and see what they would need to do to have  
24 pari-mutuel wagering.

25                         Initially, I told him he was in luck, because

1 I knew there was a code section that gave the  
2 Commission the authority to grant a license without  
3 a referendum being passed.

4 Now to do that, there are certain criteria that  
5 must be met. It has to be a steeple chase meeting,  
6 has to be less than 14 days, has to be sanctioned by  
7 either the NSA or the VSA, National Steeple Chase  
8 Association, or the Virginia Steeple Chase  
9 Association, and the owner/operator has to be a  
10 501(C) 3 or 4, in accordance with the code of the  
11 Internal Revenue.

12 Unfortunately, what I found when I dug a little  
13 deeper, was that our regulations had never been  
14 changed to match this new code section. The new  
15 section of the code was put in originally in 1996 by  
16 an act of the General Assembly, and then in 2000, it  
17 was tweaked just a little bit where they added the  
18 Virginia Steeple Chase Association as one of the  
19 sanctioning bodies, and I believe they made it  
20 501(C) 3 or 4.

21 In any case, what should have been done back  
22 then was the Commission should have gone through  
23 their regulations to see that there wasn't anything  
24 in the regs that would conflict with the new code  
25 section that was approved by the General Assembly.

1           Apparently, it was not done, so what I'm asking  
2 today is more of a housekeeping item than anything  
3 else, because our regulation should match what the  
4 code says.

5           So what I've done, or what I'm proposing, is  
6 under Paragraph B in the regulation, section 11VAC  
7 10-30-20, we're gonna add at the end of the  
8 sentence, and the sentence plainly says, "The  
9 Commission shall not grant a limited license without  
10 a referendum being held." We're gonna add the  
11 words, "However, the Commission may, in accordance  
12 with Section 59.1-378.1, grant a limited license to  
13 an owner or operator of a steeple chase facility on  
14 steeple chase race meetings for a period not to  
15 exceed 14 days in any calendar year, if the steeple  
16 chase facility has been sanctioned by the Virginia  
17 Steeple Chase Association or National Steeple Chase  
18 Association, and that the owner or operator of such  
19 a facility has been granted tax exempt status under  
20 501(C) 3 or 4 of the Internal Revenue code."

21           So all we're doing is making this addendum in  
22 order to match what the code already says.

23           Dave and I have discussed this a little bit,  
24 and I think I'm clear that it's more of a  
25 housekeeping thing to -- as he says, so our regs

1 will match the state.

2 This is not an application for approval of a  
3 granting of a license, it's only to get the -- to  
4 have everything match up, so if there is a license  
5 applied for, we don't have a problem in dealing with  
6 it, and so I just wanted to make that clear to  
7 everyone for the action that we'd be taking today.

8 Any question on the part of any commissioner  
9 with regard to this?

10 MR. TROUT: I do have a couple questions on  
11 that. One is, I was looking back at the original  
12 code, both the '96 and the 2000, and one of the  
13 things that appears to have been taken out in the  
14 adoption of the 2000 amendment was a provision in  
15 the '96 one that indicated that, "Provisions of this  
16 act shall apply to any county populated between  
17 86,000 and 86,500.", which I believe is Louden  
18 County.

19 I did not look up the 1990 census to check that  
20 out, but there was a provision talking about, I  
21 believe Morven Park as being the one that was  
22 considered at that time. When the 2000 amendment  
23 was passed, was that part taken out?

24 MR. LERMOND: Yes, sir. It was.

25 MR. TROUT: Okay, because it's not included in

1 the code today.

2 MR. LERMOND: That's correct.

3 MR. TROUT: The other thing I noticed in there,  
4 and this is concerning. This is in both parts of  
5 it. It does say, "Notwithstanding provisions of  
6 59.1-391.", which is the referendum section.

7 And then later on, it says, "In deciding  
8 whether to grant a license, the Commission shall  
9 consider the results of any referendum."

10 Does that mean if by chance one was conducted?  
11 Is there actually not a requirement of a referendum?  
12 Is that legal?

13 MR. LERMOND: I think if a referendum had been  
14 tried and had failed, you could take that into  
15 consideration in determining whether or not to grant  
16 a license under this section that spells out the  
17 exception.

18 MR. TROUT: But it's your opinion, and I guess  
19 we have good legal opinion, that this does not  
20 require a positive result of a referendum in order  
21 to grant a license to the facility?

22 MR. LERMOND: That's correct.

23 MR. PETRAMALO: I would agree with that,  
24 because there were at least two licenses issued in  
25 the late 90s at Morven Park.

1           Georgetown University Hospital used to have a  
2 benefit at Morven Park, and pari-mutuel wagering was  
3 permitted there, and it was licensed by the Racing  
4 Commission. Let me quickly add I did not personally  
5 benefit from the fact they had pari-mutuel wagering  
6 there. I was present, but...

7           CHAIRMAN SIEGEL: But you lost.

8           MR. PETRAMALO: Yes.

9           MR. TROUT: I haven't benefited from here that  
10 much, either.

11           That was another question I had, is -- and I  
12 didn't realize this would -- since this has been  
13 around for quite a few years, other than the two he  
14 just mentioned, have there been any licenses granted  
15 by this Commission, or has it ever come before this  
16 Commission before?

17           MR. LERMOND: Not that I'm aware of. The only  
18 one I knew of, as Frank said --

19           MR. PETRAMALO: Morven Park.

20           MR. LERMOND: -- was Morven Park, and I think  
21 that was 1991 or '92.

22           MR. WEINBERG: There have been other limited  
23 licenses, but not under this provision.

24           MR. PETRAMALO: Yes.

25           MR. LERMOND: Right.

1           MR. TROUT: So there have been some licenses,  
2 but not under this provision? The actual regulation  
3 didn't have a --

4           MR. PETRAMALO: Yes. This is strictly steeple  
5 chase.

6           MR. TROUT: Yeah. Okay.

7           MR. LERMOND: The exception in this code  
8 section is only for steeple chase facilities.  
9 Harness or Thoroughbred would not have this same...

10          MR. TROUT: One other thing. In the section  
11 involving pari-mutuel betting, which is fairly  
12 extensive in its requirements, there are also  
13 provisions concerning percentage of payouts to  
14 various organizations and that sort of thing. Does  
15 that apply to the steeple chase race as well, or is  
16 that something that's clear or needs to be cleared  
17 up?

18          MR. LERMOND: As far as the tax to the  
19 Commonwealth and the Breeders' Fund, all of those  
20 things would be paid. As far as the operator and  
21 the purse account --

22          MR. PETRAMALO: I don't know how that works.

23          MR. LERMOND: How would you do it with  
24 Strawberry Hill?

25          MR. PETRAMALO: Strawberry Hill is --

1 CHAIRMAN SIEGEL: It's part of Colonial.

2 MR. LERMOND: But when they stood alone before  
3 that?

4 MR. PETRAMALO: The statutory take-outs remain  
5 the same. We entered into an agreement with  
6 Strawberry Hill about sharing the horsemen's share.

7 CHAIRMAN SIEGEL: We being the horsemen?

8 MR. PETRAMALO: Yes, correct.

9 MR. LERMOND: But distribution to the different  
10 parties wouldn't be any different?

11 MR. PETRAMALO: No.

12 MR. TROUT: That basically defines pari-mutuel  
13 wagering.

14 MR. PETRAMALO: Yeah.

15 MR. TROUT: That's the definition of it. It's  
16 all a percentage basis.

17 MR. PETRAMALO: Yes.

18 MR. TROUT: Okay, so that would apply then to  
19 one of these licenses?

20 MR. PETRAMALO: Yes.

21 CHAIRMAN SIEGEL: I would think that we would  
22 assume, unless we do otherwise, that that sharing  
23 would remain the same and be consistent with  
24 whatever we did in any license; is that correct?

25 MR. LERMOND: Very correct.

1           MR. PETRAMALO: Unless this Commission approved  
2 otherwise.

3           CHAIRMAN SIEGEL: Right.

4           MR. WEINBERG: I was just gonna observe that  
5 the definition of licensee includes licenses granted  
6 under the provision we're talking about, and then  
7 392, I think, speaks to licensees.

8           MR. TROUT: Okay. So it is covered by  
9 basically all the other provisions, or appropriate  
10 ones anyway, would apply to any racing, pari-mutuel  
11 betting racing?

12           MR. WEINBERG: Except the statute in some  
13 places differentiates between "limited" and  
14 "unlimited", but otherwise, I think "licensee"  
15 applies to the whole universe of license.

16           MR. TROUT: Thank you. Appreciate it.

17           CHAIRMAN SIEGEL: Question or comments, Sarge?

18           MR. S. REYNOLDS: I was gonna ask. The  
19 language that's put in, do you all put it in, or  
20 does that go through the Attorney General's office  
21 for legal opinion or some sort of counsel?

22           CHAIRMAN SIEGEL: I think it's within our  
23 purview to make that change.

24           MR. LERMOND: And in this case, what we're  
25 doing is changing the regs to match what the code

1 already says, so that would be a quicker process.

2 CHAIRMAN SIEGEL: If it was the opposite and  
3 the code needed to match with us, we'd have a whole  
4 different problem.

5 MR. S. REYNOLDS: Correct.

6 CHAIRMAN SIEGEL: So this is certainly within  
7 our purview.

8 MR. S. REYNOLDS: Okay. Thank you.

9 MS. DAWSON: Mr. Chairman, I just have one  
10 further question. I must have missed this earlier  
11 when this was put into the code, but does anybody  
12 have any background on the legislative environment  
13 at that time? Why did it come up in the  
14 legislature?

15 MR. PETRAMALO: I can take a guess. I think it  
16 was for fundraising purposes for charitable or  
17 social groups, like the Georgetown University  
18 Hospital. That would be my guess, but...

19 UNKNOWN SPEAKER: Frank, I think the regional  
20 Morven Park license was not granted under this  
21 provision, and the next time they sought a license,  
22 they were looking to make it, A, easier; B, less  
23 expensive; and C, fit into the category discussed to  
24 be part of charitable.

25 It was all geared toward Loudon County. In

1 fact at one point, there was mention, I thought, of  
2 charity, either in the code or either in the regs,  
3 but Donna Rogers brought it forward. I think she  
4 had legislative support from May, and that's really  
5 the background of it.

6 It was really kind of Morven's project, and it  
7 went through the General Assembly like nobody was  
8 paying attention to it, unlike most things we would  
9 bring to the General Assembly. It was not  
10 controversial; the Commission supported it. The  
11 Louden County group ushered it through that.

12 MS. DAWSON: But it has never been used since  
13 that one time?

14 UNKNOWN SPEAKER: I don't think so.

15 MR. PETRAMALO: Morven Park is the only place  
16 that I know of.

17 MS. DAWSON: Are there any other places in our  
18 regs that we might need to adjust this?

19 MR. LERMOND: No. This would be the only  
20 amendment we would need to make.

21 CHAIRMAN SIEGEL: Other questions or concerns?  
22 Anyone have any comments or anything to add to this?

23 NOTE: There is no response.

24 CHAIRMAN SIEGEL: We need to take action on  
25 this, and I will ask the commissioners for a motion.

1 MR. S. REYNOLDS: So moved.

2 MR. D. REYNOLDS: Second.

3 MS. DAWSON: Second.

4 CHAIRMAN SIEGEL: Any opposed?

5 NOTE: There is no response.

6 CHAIRMAN SIEGEL: Okay. It is approved. We  
7 have a done date.

8 MR. LERMOND: Very good.

9 The next item I have is the setting of the  
10 deadline for race day requests. Years ago, it was  
11 actually in the code, and there was a date -- Frank,  
12 maybe you can help me -- September 15th.

13 It was very early in the fall, and the thought  
14 was the harness meet isn't even done, and they gave  
15 the Commission the authority to set a date that  
16 worked for them, so what we need to do is figure out  
17 a date and issue --

18 CHAIRMAN SIEGEL: I'm gonna recommend, unless  
19 there's reasonable opposition to doing so, that we  
20 set a date of November the 15th, which would give us  
21 a couple of weeks prior to our November 30 meeting  
22 to look these over, and if there's any concerns, to  
23 voice them, and then we'd take action and discuss it  
24 on November 30. Does that seem to fit with  
25 everyone?

1           MR. STEWART:  If I could, I'd request an  
2 earlier date.  I'd rather have late October.

3           CHAIRMAN SIEGEL:  I don't believe the  
4 Commission cares that much about it.  I was trying  
5 to give you more time, but if you think you -- I  
6 guess, actually, a couple months might be enough, so  
7 if you want to do it late October, why don't we set  
8 the date?  Does that work with you as well?

9           MR. PETRAMALO:  That's fine.

10          CHAIRMAN SIEGEL:  What's the last Friday in  
11 October?  Anybody have that?

12          MR. LAWS:  The 26th, I believe.

13          CHAIRMAN SIEGEL:  Okay.  Why don't we set  
14 October 26th as that date?  It gives you a full week  
15 at the end of the month, and it'll be 30 days or so  
16 before we consider it, and if you folks can get  
17 together and agree, that'd be great, and we'll move  
18 on that at the next meeting.

19          MR. TROUT:  Mr. Chairman, is this the deadline  
20 for providing the information to the Commission, and  
21 then the decision would not be made until the  
22 regular November meeting; is that correct?

23          CHAIRMAN SIEGEL:  That's correct.  That's what  
24 we are proposing.

25          MR. TROUT:  So it's not a meeting on the 26th,

1 it's the deadline?

2 CHAIRMAN SIEGEL: No. They would submit this  
3 to staff and then have discussions and deliver it to  
4 us.

5 MR. PETRAMALO: Let me just make a comment.  
6 Our horsemen's contract expires on December 31st,  
7 and race days is always a part of the contract  
8 negotiations, so while the horsemen will endeavor to  
9 try to come to some agreement on days by  
10 October 26th, I wouldn't be totally shocked if we  
11 didn't.

12 CHAIRMAN SIEGEL: Yes. I wouldn't, either.

13 MR. STEWART: I guess what I was asking, was I  
14 would like to make a presentation to the Commission  
15 prior to the November meeting. If we make a  
16 presentation at the November meeting, history is  
17 that it drags on for several months before a  
18 decision is made, so I was trying to accelerate the  
19 decision process.

20 CHAIRMAN SIEGEL: Well, we're not scheduled to  
21 have a meeting until November 30. I'm not sure  
22 whether you're suggesting we have a meeting prior to  
23 that.

24 MR. STEWART: I am.

25 CHAIRMAN SIEGEL: Well, we could certainly do

1 so, if -- I think it's unprecedented that we would  
2 have two meetings within a few weeks.

3 MS. DAWSON: Mr. Chairman, I was gonna bring  
4 this up later, but I'm not gonna be available  
5 November 30th.

6 CHAIRMAN SIEGEL: All right. We'll try to deal  
7 with that as well. Are you available other days  
8 that week?

9 MS. DAWSON: No, not until December.

10 CHAIRMAN SIEGEL: Well, why don't we discuss  
11 that and then circulate information to everyone  
12 about what we're dealing with?

13 I'd like an opportunity to talk to staff about  
14 that a little bit, because we would then probably  
15 think about maybe adjusting the date from  
16 October 26th. It just depends on when we want to  
17 meet, but yeah.

18 I'm just gonna recommend that we not decide  
19 that right now; that we circulate the information to  
20 everyone, and we huddle up and make a decision about  
21 how we'd like to do it. We're talking about having  
22 two meetings within two or three weeks. The 26th to  
23 November 30th is only 30 days.

24 MR. WEINBERG: Or just moving up the date of  
25 the November 30th meeting to make it earlier in the

1 calendar, and push back the date for -- we just want  
2 to begin the discussion earlier, rather than later,  
3 and our is concern that --

4 CHAIRMAN SIEGEL: Ian is suggesting that it  
5 might drag on, so if you have it the 15th of  
6 November, it would still drag on in that scenario.

7 MR. STEWART: Well, I guess what I'm suggesting  
8 is that we make the presentation 30 days from now,  
9 the 20th of October, and the Racing Commission make  
10 a decision whenever, the 20th of November. I mean  
11 typically, up until this year, we've had a meeting  
12 every month.

13 MR. S. REYNOLDS: That's correct.

14 CHAIRMAN SIEGEL: I know that, and we could  
15 certainly do that. I guess I was talking about  
16 scheduling a special meeting in between meetings for  
17 this purpose. I'm not aware that we've done that  
18 before.

19 MR. LERMOND: Mr. Chairman, I think staff would  
20 appreciate having the race day request submitted at  
21 least a week or two before the presentation is made,  
22 so that we do our best to do what we need to do.

23 MR. STEWART: Sure.

24 MR. PETRAMALO: What was the deadline last  
25 year? Was it December 1st?

1 MR. WOOLNOUGH: Yeah, December 1, I think.

2 MR. WEINBERG: November 1.

3 CHAIRMAN SIEGEL: Did we have two meetings as  
4 you're suggesting here?

5 MR. WEINBERG: My recollection was I thought we  
6 were to provide tentative race days November 1, and  
7 then I think it didn't get finalized until much  
8 later. I can look back.

9 MR. PETRAMALO: I think we basically came with  
10 a joint request. There was no, here's the  
11 horsemen's view, here's the racemen's, track's view.  
12 We came with one proposal.

13 MR. WEINBERG: Correct.

14 MR. PETRAMALO: It sounds as though something  
15 may be different this year. I'm just assuming that,  
16 from what Ian has said so far.

17 MR. STEWART: I don't think you should  
18 necessarily read anything in to it, but I think it's  
19 important for everybody's sake to speedily resolve  
20 it. It has never been Colonial Downs' objective to  
21 drag out the process.

22 MR. PETRAMALO: We agree, for a number of  
23 reasons, practical reasons, it's best to have the  
24 dates set as soon as possible, so we can get out  
25 there and start soliciting horsemen and publicizing

1 when our meet's gonna be.

2 CHAIRMAN SIEGEL: Are you suggesting we move  
3 everything forward, including our meeting, our  
4 November 30 meeting?

5 MR. PETRAMALO: Maybe the best thing would be  
6 for Ian and Jim and Stephanie and I to talk a little  
7 bit and then get back with you with a suggestion.

8 CHAIRMAN SIEGEL: Yeah. I think it would be  
9 difficult, unless everyone had a discussion right  
10 now to set these dates that everyone is happy with.  
11 It might be best for you folks to give us some idea  
12 of, again, respecting Dave's wishes to have it  
13 submitted a week or so prior, then set a date.

14 MR. PETRAMALO: Right.

15 CHAIRMAN SIEGEL: And then perhaps in early  
16 November or late October, I'd say early November,  
17 and then we perhaps have a December meeting. I just  
18 haven't fully thought it through. I wasn't aware  
19 this was gonna be an issue today.

20 MR. TROUT: Mr. Chairman, this is something --  
21 we've looked at some good time tables here, as far  
22 as when the information is needed prior to having a  
23 meeting or even a presentation, but I would  
24 certainly not object to moving up some meeting  
25 dates, if that's going to make it more feasible to

1           come up with a schedule that can be approved, and  
2           they do need to be approved way ahead of time,  
3           because you are dealing with something that needs  
4           advertising and needs promotion and needs everything  
5           else, so it's a sooner-the-better type situation.

6           If this meeting was moved up, which I don't  
7           know whether any presentation would have been made  
8           if this meeting would have been held in October as  
9           originally scheduled, so that does leave a large gap  
10          between meetings, and we do have one commissioner  
11          who can't be there, so moving it up to something  
12          that might be convenient, as was done with this  
13          meeting, might be the way to do it.

14          CHAIRMAN SIEGEL: Well, that's what I am  
15          suggesting. I just don't know whether we can set  
16          those now. We certainly do need to set a time by  
17          which everything must be submitted. If you want to  
18          change that to a sooner date than Ian proposed, we  
19          can certainly do that now.

20          MR. STEWART: I don't have a problem with it,  
21          other than if we're gonna submit it all in a couple  
22          weeks, then we're gonna wait six weeks to have a  
23          meeting, that makes no sense.

24          CHAIRMAN SIEGEL: No, no. I'm not suggesting  
25          that. I am suggesting that if we submit it let's

1 say the second week of October, week we can probably  
2 try to have a meeting the third week of October. We  
3 could schedule it that way, and then we could  
4 essentially keep our November meeting, but move  
5 it -- agree on a date that might work for all the  
6 members of the Commission.

7 MR. STEWART: That's fine.

8 CHAIRMAN SIEGEL: So how do you feel about  
9 setting it for like the 10th of October to have it  
10 submitted? That's a Wednesday.

11 MR. WOOLNOUGH: That doesn't even let the  
12 harness meet finish their meet.

13 MR. S. REYNOLDS: I won't be here.

14 CHAIRMAN SIEGEL: No, no. That's for the  
15 staff.

16 MR. S. REYNOLDS: For information.

17 CHAIRMAN SIEGEL: Not to have a meeting then.  
18 They would submit to the staff their proposed dates.

19 MR. STEWART: How about the 15th of October?

20 CHAIRMAN SIEGEL: The 15th of October. I don't  
21 have a problem with that, either. Then we could  
22 perhaps set a meeting for that following week. What  
23 time would you need between the 15th and the meet?

24 MR. LERMOND: Generally, the staff would like  
25 to have things ten days prior.

1           CHAIRMAN SIEGEL: Well, is it possible to have  
2 the information prior to the -- well, you think you  
3 need until the 15th?

4           MR. STEWART: Well, obviously, we want to sit  
5 down with the horsemen and have some constructive  
6 conversations, and I imagine there'll be some back  
7 and forth. I'd like to accelerate the process, but  
8 I think there's a certain amount of time that we  
9 need.

10          MR. PETRAMALO: Well, I'm gonna be out of the  
11 country from October 12th through October 24th, so  
12 if you want to have some back and forth, it's gonna  
13 have to be before then or after then.

14          MR. STEWART: I guess we'll have to start  
15 sooner.

16          CHAIRMAN SIEGEL: Well, I have no problem  
17 setting those dates, and we could set a meeting for  
18 the first week in November, which would give staff  
19 enough time if you wanted to do -- you said the  
20 15th? Is that the date you suggested?

21          MR. STEWART: That was the date I suggested.

22          CHAIRMAN SIEGEL: If we did the first week in  
23 November for the meeting, then that would give you  
24 time to be back.

25          MR. PETRAMALO: That's fine.

1           CHAIRMAN SIEGEL: All right. So you're  
2 suggesting the 15th of October to submit, correct?

3           MR. STEWART: Yes.

4           CHAIRMAN SIEGEL: Everybody good with that?  
5 Let's just go ahead and talk about an early November  
6 meeting. How about November 2nd? Does that appeal  
7 to everyone?

8           MS. DAWSON: That works for me.

9           MR. PETRAMALO: I won't be here. It's the  
10 Breeders' Cup in California.

11          CHAIRMAN SIEGEL: Okay. You're a lucky guy.

12          MR. PETRAMALO: I'll let you know how lucky I  
13 am when I come back. Anytime the next week -- any  
14 day the next week is fine, or the week after.

15          CHAIRMAN SIEGEL: Well, we could do -- How  
16 about Wednesday the 7th of November?

17          MR. STEWART: Okay.

18          MR. LAWS: That is the day after the election.  
19 I don't know if that affects the schedule.

20          MR. TROUT: Hangovers.

21          MR. S. REYNOLDS: Some will be happy, some will  
22 be sad.

23          CHAIRMAN SIEGEL: Wednesday, November the 7th.  
24 How does that work for a meeting for anyone? Any  
25 problems?

1 MS. DAWSON: That's good.

2 MR. PETRAMALO: That's good.

3 CHAIRMAN SIEGEL: At ten a.m.?

4 MR. STEWART: If you're gonna have the meeting  
5 on the 7th, then we back up ten days for the Racing  
6 Commission staff, and that would make the submission  
7 date on the 24th of October.

8 CHAIRMAN SIEGEL: You wanted to do it sooner  
9 rather than later, and he's gonna be out of town.  
10 Why don't you stick with the 15th? That gives you  
11 more time to get together, unless you don't think  
12 that's enough time.

13 MR. STEWART: Well, the point in submitting it  
14 on the 15th was that then we would add ten days for  
15 Dave and then have a meeting, but now we're gonna  
16 add 22 days.

17 CHAIRMAN SIEGEL: Well, we have conflicts in  
18 October, so we have to move it to the 1st of  
19 November.

20 MR. STEWART: I understand. I'm just saying  
21 that if you have the meeting on the 7th of November,  
22 there's no real need to submit it on the 15th of  
23 October.

24 You could have the meeting sooner. I'm just  
25 saying that we'd be ready to submit things on the

1 15th of October. That assumes that you could have a  
2 meeting ten days later, which you're saying you  
3 can't.

4 CHAIRMAN SIEGEL: Right.

5 MR. STEWART: So then the 15th of October  
6 really doesn't matter. Might as well give myself  
7 another week.

8 CHAIRMAN SIEGEL: Okay. All right, then. You  
9 pick it so we can move on.

10 MR. STEWART: We'll call it the 22nd.

11 CHAIRMAN SIEGEL: Let's do the 22nd. We'll  
12 meet on November the 7th at ten a.m., and then we  
13 will talk about a December meeting as well.

14 MR. PETRAMALO: Of course that means that you  
15 will get a submission from the horsemen no later  
16 than October 11th. I'm gonna be gone from the 12th  
17 through 24th.

18 CHAIRMAN SIEGEL: Is that a problem?

19 MR. PETRAMALO: No. That's fine.

20 CHAIRMAN SIEGEL: Okay. Do you want to set a  
21 December meeting while we're doing these? We could  
22 do perhaps December the 5th, which is a Wednesday.

23 MR. PETRAMALO: That's fine.

24 MR. D. REYNOLDS: I'm out of the country.

25 CHAIRMAN SIEGEL: How long are you out of the

1 country?

2 MR. D. REYNOLDS: I think I'll be back the 4th  
3 or the 5th.

4 MS. DAWSON: I'm not back until the 10th.

5 CHAIRMAN SIEGEL: You're not back until the  
6 10th. You're gone until when? From when?

7 MS. DAWSON: November 9th.

8 CHAIRMAN SIEGEL: How about December 12th?

9 MS. DAWSON: That's good.

10 CHAIRMAN SIEGEL: Wow. Okay. Has everybody  
11 got those? Ten a.m. on November the 7th, and ten  
12 a.m. on December the 12th.

13 All right. Arduous, but done. Does that  
14 conclude your report?

15 MR. LERMOND: Actually, Mr. Chairman, I just  
16 had two quick things I wanted to mention that aren't  
17 on the agenda.

18 One is that Mr. Hettel wanted me to give you  
19 all an update on our quest for a new licensing  
20 system. I don't know if you're familiar we've been  
21 looking at a system provided by ARCI that is in the  
22 very final stages. They're just putting -- dotting  
23 the I's and crossing the T's on some reports.

24 We had a conference call where they actually  
25 took control of our computer and we could see the

1 different screens. Mr. Hettel actually got to see  
2 the same thing from Kentucky.

3 We were all very, very enthused with  
4 the new system. We think it's really gonna be a big  
5 improvement over what we have, and we've actually  
6 offered to ARCI if they wanted to send somebody up  
7 here in October, November when things are slow, and  
8 we could almost be like a test site for them to get  
9 this thing up and rolling.

10 We'll have some employees that work full-time  
11 for Colonial that will come in and get renewed  
12 sometime in December normally. We could take that  
13 small group of people and use it as a test to the  
14 new system.

15 Bernie just wanted me to give you guys an  
16 update. It's a really good sign, and we're really  
17 looking forward to working with ARCI and having  
18 this new system that's gonna be a huge improvement  
19 over what we have right now.

20 MS. DAWSON: Is there a cost associated with  
21 this?

22 MR. LERMOND: That's the best part of that.  
23 The only cost is the storage for the cloud. I'm not  
24 that computer savvy, but there are clouds up there,  
25 and they have information in them, and for \$30 or

1           \$40 a month, we'll be able to store our data in the  
2           cloud.

3           So again, it's one of those things that's  
4           almost too good to be true, and I keep pinching  
5           myself, but I really do think it's gonna be a big  
6           improvement, and we're looking forward to getting  
7           started with that, as soon as the live racing is  
8           over.

9           On the topic of live racing, I just wanted to  
10          introduce our presiding judge, George Hickman. For  
11          commissioners who have never seen George, George has  
12          been with us nine or ten years as a judge.

13          He actually served as a commissioner on the  
14          New Hampshire Racing Commission for six years or so.  
15          George has a lot of knowledge and experience, and  
16          we're lucky to have him as an employee. And that  
17          concludes my report, Mr. Chairman.

18          CHAIRMAN SIEGEL: Welcome, George.

19          All right. The next item is the action that we  
20          talked about with regard to the application for  
21          Paradocks. There was a staff report. Dave, I guess  
22          you and Joe Roney visited the site, and if you'd  
23          like to just give us a brief overview.

24          MR. LERMOND: Be happy to.

25          I think it was August 31st, the application was

1 brought over to our office by Colonial Downs. In  
2 this case, myself and Joe Roney, our director of  
3 licensing security, each went into our separate  
4 offices and reviewed it, and then we usually huddle  
5 up and discuss any concerns or anything we would put  
6 into the staff report.

7 I've got to tell you that we really didn't have  
8 any concerns at all. I think what we really shared  
9 was the optimism for this location.

10 We were very impressed with the location, the  
11 staff, the management. The facility itself is  
12 just -- I'm very hopeful that this is gonna be a  
13 good one, and as Jim alluded to earlier, Colonial  
14 did meet all the requirements for an application of  
15 this sort, and staff would recommend that the  
16 Commission approves this application. I'd be happy  
17 to answer any questions that the Commission would  
18 have, in addition to what was already discussed  
19 previously.

20 CHAIRMAN SIEGEL: Any questions from  
21 commissioners with regard to this application?

22 MS. DAWSON: Are there any other facilities  
23 located anywhere near the Paradocks?

24 MR. LERMOND: Wager facilities? There is the  
25 existing Chesapeake facility on Indian River Road,

1 and I think it was brought up earlier it may be four  
2 or five miles away, but the two areas couldn't be  
3 more different.

4 MS. DAWSON: Okay.

5 MR. LERMOND: When we visited the site on  
6 Indian River Road, it's the same people that are  
7 there, and I think the good thing about a venue like  
8 this is you're gonna get new faces in there all the  
9 time. They're gonna see the wagering going on and  
10 hopefully will create some new fans, which is really  
11 what this sport needs, is new fans in the game.

12 We are confident this will have that effect.

13 MR. S. REYNOLDS: I have a question.  
14 Obviously, you all have the constraint of having ten  
15 licenses to operate the satellite wagering  
16 facilities. Is your model going forward maybe to  
17 get out of the bricks and mortar part of it, and  
18 then replace that with these new deals that you all  
19 are doing with restaurants, or is the idea to go to  
20 the General Assembly and try to increase that limit  
21 of ten, and try to get that higher one day so that  
22 you all can grow?

23 Because obviously, it's good growth  
24 opportunity, but there seems to be a constraint with  
25 the limit of ten right now.

1           MR. STEWART: We'd certainly like the ability  
2 to have more OTBs, and the ability to place them  
3 wherever we would like. I think that the days of  
4 significant capitalist expenditure to contract OTBs  
5 are over for Colonial Downs. So yeah, I think  
6 something along these lines is our future model.

7           That being said, if we were to be in a  
8 jurisdiction that justified a large expenditure,  
9 then it's possible that the company would do that.

10          But I think that there's no question, and I  
11 think you look at the rest of the industry, building  
12 these large stand-alone facilities in an era where  
13 wagering has become mobile and account wagering has  
14 become dominant, is probably not the best plan.

15          MR. S. REYNOLDS: All right.

16          CHAIRMAN SIEGEL: Other questions, comments  
17 from anyone?

18          NOTE: There is no response.

19          CHAIRMAN SIEGEL: All right. We need to take  
20 action here. Can we get a motion to approve?

21          MR. S. REYNOLDS: I'll make the motion.

22          CHAIRMAN SIEGEL: Second?

23          MS. DAWSON: Second.

24          THE COURT: All in favor?

25          NOTE: The Commission votes aye.

1           CHAIRMAN SIEGEL: No opposed. Okay, gentlemen,  
2 you have your approval.

3           MR. WEINBERG: Thank you very much.

4           CHAIRMAN SIEGEL: The next item is the  
5 refinancing of Jacobs Entertainment, and I'm gonna  
6 ask Jim to comment. There's a letter that Jim sent  
7 out that I imagine we all got. It was part of an  
8 attachment, so everyone has this letter, and we'll  
9 either ask questions or offer comments after you  
10 bring it forward.

11          MR. WEINBERG: Thank you. The request  
12 from Colonial Downs and Stansley Racing Corp. is  
13 really to preserve the status quo. Colonial Downs  
14 and Stansley Racing Corp. have been veering towards  
15 Jacobs Entertainment debt since 2002.

16          Periodically, those credit facilities are  
17 refinanced, the last one being in 2006. This  
18 facility, structurally, for JEI is slightly  
19 different, but for Colonial Downs will be very  
20 similar to the documentation it has signed, in that  
21 logistically, the lead bank for the existing bank is  
22 the same bank of the new credit facility, and they  
23 are using the same counsel, and so our expectation  
24 is that the documents Colonial Downs will be asked  
25 to sign will be very similar to the ones it signed

1 in 2006.

2 Namely, those documents are a security  
3 agreement, which pledges its assets to support its  
4 guarantees, and I should have started with the  
5 guarantees. A security agreement, deeds of trust  
6 for the property that Colonial Downs and related  
7 entities own, and in some instances, some lease hold  
8 interests as well.

9 The UCC statement, which is part of the  
10 security package, controlled deposit account  
11 agreements, which allow the bank to have security  
12 interest in bank accounts. To be clear, these are  
13 bank accounts that are the sole property of Colonial  
14 Downs. They are not purse accounts or the  
15 Thoroughbred Partner Account, or the Standardbred  
16 Partner Account; purely Colonial Downs.

17 That is called a perfection certificate, which  
18 outlines where all the collateral is and certifies  
19 that nothing has been left off the list.

20 The rationale for why this is important  
21 for Colonial Downs is Colonial Downs is heavily  
22 dependent on access to capital from Jacobs  
23 Entertainment. It could not borrow funds in its own  
24 balance sheet in the way and at the interest rates  
25 that Jacobs Entertainment has provided it.

1           What this has meant over the years is the  
2 funding or referendums, for the construction of  
3 satellite facilities and for general capital  
4 improvements that has come from capital provided by  
5 Jacobs Entertainment.

6           More recently, the capital relocated and  
7 installed additional lighting for the turf track  
8 came from Jacobs Entertainment. The capital needed  
9 to expand and develop the ADW kiosk and then to try  
10 to implement that strategy in restaurants throughout  
11 the state. Again, the capital was sourced from  
12 Jacobs Entertainment.

13           To remain eligible, Colonial Downs would simply  
14 continue doing what it is doing, and I'm happy to  
15 review the standard of review that this Commission,  
16 I think, has an obligation to look at.

17           It is not crystal clear in the statute. One of  
18 the best analogies, I think, is looking at what the  
19 Commission needs to look at. There was a change in  
20 the ownership of Colonial Downs.

21           Since this is somewhat of a change in the  
22 capital structure and looking up, that standard is,  
23 would this be detrimental to horse racing in  
24 Virginia, and I'd like to argue sort of the corners  
25 of this.

1           This is really in the best interest of horse  
2 racing in Virginia, in that it provides capital to  
3 the licensees that they otherwise would not have  
4 access to. It provides the opportunity for  
5 expansion.

6           Obviously, there is some risk. I don't think  
7 the risk that we're talking about in this credit  
8 facility is in any way significantly different from  
9 the risks of prior credit facilities. I'm happy to  
10 go in to more detail.

11           The existing facilities consist of some  
12 publicly traded notes, as well as some bank debt.  
13 This will be all bank debt, and that will be  
14 redeemed and that bank debt is being used for a  
15 variety of sources, most of which is used to  
16 increase assets that can produce revenue. Part of  
17 it is used to fund an acquisition. Others are being  
18 used for capital projects and working capital  
19 throughout the Jacob's Entertainment organization,  
20 which obviously includes Colonial Downs as well.

21           MR. S. REYNOLDS: Can I ask a question?

22           MR. WEINBERG: Absolutely. No, no. Please  
23 interrupt.

24           MR. S. REYNOLDS: So with the retirement, it's  
25 \$275 million, and with the new facility, is that --

1 maybe I'm reading it wrong, but is that gonna be  
2 \$410 million?

3 MR. WEINBERG: It's up to 410, that's correct.  
4 About 56 of that is used for acquisition of what I  
5 would call income-producing assets. Of that, that  
6 leaves about a \$74 million balance; 64 million is  
7 for working capital purposes, which I think, again,  
8 is being devoted to increasing revenues, and about  
9 ten million is coming out as a dividend to  
10 shareholders.

11 MR. S. REYNOLDS: My next question is --

12 CHAIRMAN SIEGEL: Wait just one second. Are  
13 you finished yet, or are you still going? I'd like  
14 to hold the questions until Jim's finished, because  
15 I think that many of us have questions.

16 MR. S. REYNOLDS: I wanted to wait, too, but I  
17 thought maybe --

18 MR. WEINBERG: Oh, no. Feel free to interrupt  
19 me. I've covered the substance.

20 CHAIRMAN SIEGEL: You may cover what my  
21 questions are later on.

22 MR. S. REYNOLDS: I'm sorry.

23 CHAIRMAN SIEGEL: That's all right. I just  
24 think we should get through that.

25 MR. WEINBERG: In all candor, I have covered

1 the salient points, so I think it would help in this  
2 dialogue to really focus the discussion on the  
3 matters you have questions about.

4 CHAIRMAN SIEGEL: All right, so you don't have  
5 comments on the last couple of pages? That's fine.  
6 Sorry.

7 MR. WEINBERG: Candidly, I'm assuming everyone  
8 has read the letter. I'm happy to review the  
9 letter, but I was --

10 CHAIRMAN SIEGEL: Yeah.

11 MR. S. REYNOLDS: I just noticed there's a deed  
12 of trust from Henrico County and Richmond on the  
13 same piece of property, so the property line must go  
14 down the middle of the property?

15 MR. WEINBERG: Yes. We pay taxes in both  
16 jurisdictions. That's in both jurisdictions.

17 MR. S. REYNOLDS: That's all I've got.

18 CHAIRMAN SIEGEL: Questions from anyone else?

19 MR. TROUT: I just have a couple, Mr. Chairman.  
20 One of them is, does this substantially change the  
21 actual obligation of Colonial Downs? In other  
22 words, is it gonna end up being obligated on more  
23 debt or anything that it has now?

24 MR. WEINBERG: It could be obligated on a  
25 higher amount of debt.

1           MR. TROUT: Higher amount because it includes  
2 the other facilities, the new facility coming in?

3           MR. WEINBERG: Just because of the amount of  
4 the borrowing of Jacobs Entertainment is greater  
5 than the existing facility.

6           MR. TROUT: What about the amount of  
7 collateral? Is it the same collateral that's being  
8 put up that's already obligated now?

9           MR. WEINBERG: That's correct.

10          MR. TROUT: You indicated something about a  
11 risk because you're dealing with actual  
12 income-producing operations, as opposed to, I guess,  
13 some government paper? Is that what you had?

14          MR. WEINBERG: No. My point was this: That if  
15 you're gonna increase debt and therefore increase  
16 your obligation to repay principal and pay more  
17 interest because the debt is higher, that are you  
18 digging -- are you putting -- increasing the risk of  
19 default?

20          My argument is, well, you're using the funds to  
21 acquire income-producing assets that hopefully are  
22 going to far exceed in revenue generation the  
23 principal in interest payments, and generates more  
24 profits for the organization and build a stronger  
25 balance sheet.

1           I think it's important to look at how the funds  
2           are being applied, rather than just looking at the  
3           absolute dollar number and saying, well, the current  
4           facility was \$310,000 and this one's gonna be  
5           \$410,000.

6           MR. TROUT:   Okay.   Thank you.

7           MR. WEINBERG:   Million dollars.   I'm sorry.

8           MR. TROUT:   I had no trouble with that.

9           CHAIRMAN SIEGEL:   The existing line of 275, is  
10          that what's owed on it today?

11          MR. WEINBERG:   That's what is outstanding.

12          CHAIRMAN SIEGEL:   And Sarge pointed out going  
13          to 410.

14          MR. WEINBERG:   I have to tell you I have not  
15          seen the credit agreement draft yet.   I don't know  
16          if it's eligible to borrow all 410 on day one.  
17          Frequently, there are facilities that the  
18          eligibility to draw down has conditions placed in  
19          the agreements.

20          CHAIRMAN SIEGEL:   I think it's important to  
21          note that in the event of a default, the bank could  
22          own this race track, but we would have to approve  
23          that transfer, and likely wouldn't.   I mean in my  
24          view.

25          But I think it's important that everyone

1 understand that's the case, and as far as the use of  
2 the proceeds from here, I think they plan to open a  
3 casino and pay a dividend to Jacobs' investment as  
4 well. That's my understanding. Right?

5 MR. WEINBERG: And acquire another management.

6 CHAIRMAN SIEGEL: And acquire another.

7 MR. WEINBERG: Yes.

8 CHAIRMAN SIEGEL: I think it's in your letter  
9 you mentioned that failure to approve this would  
10 impede Colonial's ability to grow live racing, so I  
11 think some of us are hopeful that by approving this  
12 would give you the ability to grow live racing. So  
13 I just needed to make that comment.

14 MR. S. REYNOLDS: Absolutely.

15 CHAIRMAN SIEGEL: Is there any other questions  
16 or comments? Any question or comments from the  
17 public?

18 NOTE: There is no reponse.

19 MR. WEINBERG: I appreciate you highlighting  
20 that if there was a foreclosure, then the bank is  
21 governed or whoever holds the security interest is  
22 governed by racing statute, which provides for the  
23 Commission to approve anyone requiring a substantial  
24 interest in Colonial, so that is an important  
25 concept to bear in mind.

1           CHAIRMAN SIEGEL: Yes. I don't think any of  
2 us, at least on this side, know the value of this  
3 facility, but I have a question whether it's worth  
4 \$410 million, but it's up to the lender to determine  
5 that, and not us, I would suspect.

6           Any other questions? Questions of staff?

7           NOTE: There is no response.

8           CHAIRMAN SIEGEL: Is everyone comfortable  
9 approving this action? If so, we'll entertain a  
10 motion.

11          MR. S. REYNOLDS: So moved.

12          CHAIRMAN SIEGEL: And a second?

13          MR. TROUT: Second.

14          MS. DAWSON: Second.

15          CHAIRMAN SIEGEL: Hearing no objection, we'll  
16 approve this refinancing.

17          MR. WEINBERG: Thank you very much.

18          CHAIRMAN SIEGEL: Okay. While it's not part of  
19 the agenda, I think the Commission would be  
20 interested in knowing, or at least hearing an  
21 update, on the Standardbred meet which is in  
22 existence now. Ian, you're, I guess, here  
23 representing the Standardbred folks. Would you like  
24 to comment?

25          MR. WOOLNOUGH: Well, I talked to Tom this

1 morning. He could not be here. He's running a  
2 horse in the first race, so he's kind of busy.

3 From a racing point of view, the racing is  
4 very, very good. From the horse population, it's  
5 not. Primarily, that is due to the fact that we  
6 started two weeks earlier than we normally do, and a  
7 lot of the other states have sire programs and state  
8 races and they were not over. They were over on the  
9 17th, so we started to have horses coming in now, so  
10 we're a little better off on that.

11 Attendance is slightly up, and I use the word  
12 slightly. People can come back and say, well, we  
13 had the fair. Well, we had it last year also.  
14 We've got people coming out. The betting  
15 (inaudible) is okay. Where we're suffering there is  
16 that last year when we ran in the evening, we had  
17 approximately nine hours of simulcast time. Right  
18 now, we've got four, if we're lucky.

19 Our races finish around four o'clock, and it's  
20 cut right there. I mean right in the middle of  
21 Belmont program, you shut it down and go home, so  
22 our people don't get to bet anymore. So that's a  
23 big -- if you look at the numbers on the simulcast  
24 over here, it's serious.

25 Right now, we only take five or six signals.

1 Last year, we had 15. It's a big difference there.

2 One o'clock post time, which we are doing right  
3 now, people taking our signal. Again, I have been  
4 asking for the report on exactly who is, and  
5 Mr. Stewart says I can have it now. I haven't had  
6 it before.

7 They're not taking us and I don't know why. I  
8 could understand why someone like Belmont wouldn't  
9 take us; they're busy doing their own thing. There  
10 are harness tracks out there that should be taking  
11 us and I want to know why. Again, one o'clock is a  
12 hard time to get that signal. Those are things that  
13 we have to look at.

14 From the racing point of view, it's doing well.

15 MR. STEWART: I have a couple of thoughts. I  
16 have to take issue with a couple things  
17 Mr. Woolnough said.

18 MR. WOOLNOUGH: Okay.

19 MR. STEWART: We ran at one o'clock last year  
20 as well, and started a week earlier this year. We  
21 have never taken 15 signals that I can possibly  
22 imagine in the last four or five years.

23 MR. WOOLNOUGH: Want me to bring the book in?

24 MR. STEWART: You had your turn to talk. Now  
25 it's my turn. You know, there's the numbers. I

1 think they speak for themselves.

2 Last year, we're talking apples to apples for  
3 eight days running the same post time. Our  
4 out-of-state handle for eight days combined was  
5 663,000; this year, it's 377,000. It's down 43  
6 percent.

7 Attendance is up slightly. There's no question  
8 about that. The fair had a better year because it  
9 rained last year for two days and this year it  
10 didn't rain.

11 Live handle last year was \$137,000 for eight  
12 days; this year, it's \$108,000, down 21 percent.  
13 Simulcast last year 55,000; this year, it's 41,000.  
14 Down 25 percent. Last year, we had just under eight  
15 horses to race for the eight days; this year, we  
16 have just under seven horses to race.

17 That's an apples to apples comparison.

18 CHAIRMAN SIEGEL: The only difference is we ran  
19 a week earlier last year.

20 MR. WOOLNOUGH: We started the 17th last year.

21 CHAIRMAN SIEGEL: You started what day this  
22 year?

23 MR. WOOLNOUGH: The 5th.

24 MR. S. REYNOLDS: What about the nine-hour  
25 signal, versus the four-hour signal? Did that

1           happen last year also?

2           MR. STEWART: We ran it the same way.

3           MR. WOOLNOUGH: No, we didn't.

4           MS. BOUZEK: Yes, we did.

5           MR. WOOLNOUGH: No, we didn't.

6           MS. BOUZEK: We ran at one o'clock.

7           MR. WOOLNOUGH: I'll bring you the book in.

8           I'll bring the book in and show you the signals.

9           MR. S. REYNOLDS: You said something about  
10          having a simulcast signal for nine hours.

11          MR. WOOLNOUGH: They came on at 12:00 o'clock,  
12          and they show night tracks also. The numbers I get  
13          from Colonial.

14          MR. S. REYNOLDS: You're saying Colonial Downs  
15          is now shutting down at four and kicking everybody  
16          out of their seat?

17          MR. WOOLNOUGH: Right now, our races finish, go  
18          off at four o'clock. Our races finish here about  
19          four o'clock or 4:10, something in that  
20          neighborhood, and right after that, they close.  
21          There's nothing.

22          CHAIRMAN SIEGEL: And last year, you're saying  
23          they stayed open?

24          MR. WOOLNOUGH: I have the number.

25          CHAIRMAN SIEGEL: You're saying it didn't close

1 the same time last year?

2 MS. BOUZEK: What happens after you race live  
3 racing is you wait around to see the dates for  
4 simulcast. It's not like we say live racing is  
5 over, please leave the building.

6 There's nobody there to -- of course, there's  
7 the same one or two or three or four people that are  
8 there. We didn't take any night tracks. There's no  
9 way we took night tracks, because then you have to  
10 get a whole new decoder schedule and pay twice as  
11 much in decoders.

12 MR. S. REYNOLDS: Is it different on weekends?  
13 I know you get a few more people here on weekends.

14 MS. BOUZEK: If there's people here to wager,  
15 they wager. We don't take any night tracks. Dave,  
16 you approved the schedule. Jeff had to leave  
17 because he's got racing now, but...

18 CHAIRMAN SIEGEL: Do you have any comment,  
19 Dave?

20 MS. BOUZEK: Other than the fair, the weekend  
21 of the fair, which that would go to nine o'clock at  
22 night.

23 MR. LERMOND: The Commission approved the  
24 tracks on the schedule, but we don't dictate their  
25 business hours, as far as how long they have to stay

1 open or not.

2 CHAIRMAN SIEGEL: Well, I would just comment  
3 that -- You close when?

4 MR. WOOLNOUGH: We close the last race here the  
5 14th.

6 CHAIRMAN SIEGEL: Okay. Well, I think in the  
7 future, I think you guys need to get together and  
8 make sure everybody understands clearly in advance  
9 what will be done, and then so everyone can meet  
10 their own obligations.

11 Anything else on Standardbred races at the  
12 moment?

13 NOTE: There is no response.

14 CHAIRMAN SIEGEL: Hearing none, we offer any  
15 comment from the public. Anybody from the public  
16 that would like to make a comment, public  
17 participation?

18 NOTE: There is no response.

19 CHAIRMAN SIEGEL: Otherwise, our next meeting  
20 is set for November the 7th at ten a.m. Any  
21 comments or a question from any of the commissioners  
22 before we close?

23 NOTE: There is no response.

24 CHAIRMAN SIEGEL: We will not have a closed  
25 meeting today. We determined that we didn't need

1 one today. We may have one at the November 7th  
2 meeting. We will have to determine that at that  
3 time.

4 MR. TROUT: Mr. Chairman, this is not really a  
5 part of the business, but I was asked by one of our  
6 supervisors here in the county having a concern with  
7 people abandoning horses.

8 Normally, when you abandon dogs and cats,  
9 Animal Control takes over. Horses are a different  
10 matter altogether, so if anyone is aware of  
11 facilities that take in orphaned horses or some  
12 solution to the problem, I'd appreciate information  
13 on that and I'll pass that on to the county. Thank  
14 you.

15 CHAIRMAN SIEGEL: Okay. If there's no more  
16 business to come before this Commission, we're free  
17 to adjourn. Thank you, Ladies and Gentlemen.

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19 NOTE: The hearing is adjourned at  
20 12:12 p.m.

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## 1 CERTIFICATE OF COURT REPORTER

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

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 30th day of November, 2012.

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**SANDRA G. SPINNER**

**COURT REPORTER**