VIRGINIA RACING COMMISSION

September 28, 2011

10700 Horsemen's Road

New Kent, VA 23124

Commencing at 10:05 a.m.

COMMISSION MEMBERS:

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

COMMISSION STAFF:

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

ATTORNEY GENERAL'S OFFICE

Amy K. Dilworth, Esquire

CAPITOL REPORTING, INC.
REGISTERED PROFESSIONAL REPORTERS
(804) 788-4917
INDEX

1. Approval of the minutes of the regular meeting of August 23, 2011 3
2. Commissioners' Comments 4
3. Committee Reports 4
4. Executive Secretary's Report 12
5. Stakeholders
   a. Colonial Downs - Matters pertaining to Harness Racing 13
   b. VHHA - Dr. Dunavant 21
6. Public Participation 52
7. Set Next Meeting - October 26, 2011 54
8. Adjournment 59
CHAIRMAN MILLER: Good morning. Sorry we're a few minutes late getting started. We will finally get started.

Welcome, everyone, to the meeting of the Racing Commission and the first thing we'll note is that Commissioner Siegel and Commissioners Reynolds and Reynolds and myself as chairman are present.

The fifth commissioner, Mark Brown, is not present, but there is a quorum present, so we will take up the business of the Commission at this meeting today.

The first order of business is approval of the minutes of the regular meeting of August 23rd, 2011. Have the other commissioners had a chance to review those minutes?

MR. S. REYNOLDS: Yes, sir.

CHAIRMAN MILLER: Do I hear a motion for their approval?

MR. S. REYNOLDS: So moved.

MR. SIEGEL: Second.

CHAIRMAN MILLER: Its been moved and seconded that the minutes of the regular meeting of August 23rd, 2011 be approved. All in favor, say aye.

NOTE: The commissioners vote aye.

CHAIRMAN MILLER: They are approved.
The second order of business is commissioners' comments. Any commissioner wish to make any comment at this time regarding any matter?

NOTE: There is no response.

CHAIRMAN MILLER: All right. Third -- Let the record show that no commissioner wished to make any comment.

Third item of business are committee reports. I might say that we're having a work session in October --

MR. HETTEL: Yes, sir.

CHAIRMAN MILLER: -- prior to our regular meeting.

MR. HETTEL: I think that would be convenient for everybody involved. Yes, sir.

CHAIRMAN MILLER: I would suggest that we, unless there's some urgent committee report that needs to be made today, that we hold off on the committee reports until the next regular meeting of the Commission, which will be --

MR. HETTEL: The third Wednesday of November, which is Thanksgiving week.

CHAIRMAN MILLER: -- October.

MR. HETTEL: October. Okay. I'm sorry.

CHAIRMAN MILLER: Third Wednesday of October,
which will be the 19th of October, 2011, and have we -- Mr. Hettel, have we determined that we will definitely have a work session on that date?

MR. HETTEL: Well, we could. We mentioned it a few times. We talked about it a few times with the other commissioners since my employment.

It is strongly suggested by the governor's office that we have a governance meeting yearly, if not more frequently. I've been here since April and we haven't had one, but by the same token, we have encapsulated our business very well, from my tenure anyway.

If you'd like, maybe we can make that the first piece of business for January, if you care to do it, and have an expanded meeting in October to include how we're gonna go forward.

CHAIRMAN MILLER: Well, we need a work session in addition to the one that's called for in our --

MR. HETTEL: All right.

CHAIRMAN MILLER: -- governance rules. With the legislative session coming in January, we need to review where we are as a commission and where the industry is, what steps we need to take, at least to meet the status quo, which I don't believe is sufficient. We need to go far beyond how we're
operating now.

We had a work session the first few years I was on the commission and they were very, very good sessions. I believe, Jim, you participated; Mr. Weinberg; Mr. Petramalo, you participated; I think Glenn Petty participated. Many of the stakeholders participated.

I would suggest that we have a work session, and of course it has to be noticed just like any regular commission meeting, so it probably would be good to just have it at a time when we're gonna have our regular monthly commission meeting.

Let me see from the stakeholders and from the commission members whether Wednesday, October the 19th of 2011 would be an appropriate date.

MR. SIEGEL: So you'd want to have the work session in the morning and then the meeting?

CHAIRMAN MILLER: I would suggest that we have a work session beginning in the morning and then -- to have an appropriate session --

We used to have an all-day session. In fact, we had a day-and-a-half session, I think, a couple of years ago. We ought to try to set aside three or four hours for a work session, so I would suggest that we do that in the morning, in the a.m., and
then have a break.

MR. HETTEL: Mr. Chairman, the next scheduled meeting is October 26th.

CHAIRMAN MILLER: October 26th?

MR. HETTEL: Yes, sir, and I would suggest, if you wanted to also --

That's a race day, I believe. What we could do is meet at nine o'clock for the work session, break for lunch, or we could serve lunch and then have a meeting, include whatever we need to in that October meeting on the same day and might want to stay and take a lunch, watch the racing. We have racing available also.

MR. SIEGEL: Just keep the date the same that's on the calendar.

MR. HETTEL: Keep the date the same, but start. I'll send a notice out and we can start something --

Now, you come farthest, Mr. Chairman. What works for you? What time would you like to start?

CHAIRMAN MILLER: Ten o'clock is better for me.

MR. HETTEL: All right. Ten o'clock. That'll last as long as it lasts. We'll break for lunch when we have concluded the work session, have a regular Racing Commission meeting at a time appointed, one hour, two hours after.

CAPITOL REPORTING, INC.
(804) 788-4917
CHAIRMAN MILLER: Let me make a suggestion, Mr. Hettel.

MR. HETTEL: Yes, sir.

CHAIRMAN MILLER: Because some people come to the regular commission meeting and might not want to participate in the work session, let me suggest, if it's all right with everyone, that we have a regular commission meeting say at ten a.m., take care of the regular monthly matters that we need to take care of with the Commission, and then take a break and then begin a work session as soon as we can thereafter, and then just keep the work session going as long as everyone can stand it. It might be an hour, two, three, four.

If we feel we need a long time, we'll just keep going right up until the evening, if it gets that voluminous.

MR. HETTEL: All right. Good idea.

CHAIRMAN MILLER: Is there a place --

Mr. Stewart, is there a place if we met at -- Is there a place to meet over in the --

MR. STEWART: Sure. We can find space.

CHAIRMAN MILLER: -- in the building over there? That way, we could have our regular Commission meeting there. We haven't done that
since I've been on the Commission.

MR. STEWART: That'd be fine.

CHAIRMAN MILLER: I don't think the citizens of Virginia can assert that we're taking undue advantage of a licensee by --

MR. SIEGEL: Unless he charges rent.

CHAIRMAN MILLER: -- by requesting -- by requesting that they provide a facility for us for one meeting. That way, we can -- and people could be right there at the track. People that are interested in attending the work session could be there right at the track. If they get disinterested at what we're discussing in the meeting, if they wanna watch a race, that's fine.

MR. STEWART: And that's fine.

CHAIRMAN MILLER: And we could have lunch right there at the track. Is that suitable to everyone? We'll pay for the lunch.

MR. STEWART: I didn't expect anything else.

CHAIRMAN MILLER: You have food there anyway. That keeps from having to send out for food.

MR. STEWART: I believe we can supply something.

CHAIRMAN MILLER: Would October the 26th then be a date that would be satisfactory?
MR. PETRAMALO: Yes. That's fine.

CHAIRMAN MILLER: Jim?

MR. WEINBERG: Yes, sir.

CHAIRMAN MILLER: Ian?

MR. STEWART: Yes.

CHAIRMAN MILLER: Dr. Dunavant?

DR. DUNAVANT: Yeah.

CHAIRMAN MILLER: Members of the Commission? Amy? Anyone have any conflicts?

NOTE: There is no response.

CHAIRMAN MILLER: Let's do that then. We'll have a regular meeting at ten a.m. on October 26, 2011, and after we've completed the business of the regular meeting, we'll take a brief break and then we'll go right into a work session and I want to try to notify as many people as we can who -- It might be beneficial to have this at the work session, Bernie. We'll talk to you about that.

MR. HETTEL: We can send out some announcements.

CHAIRMAN MILLER: You may want to have some people from outside the Commission if we move it outside the stakeholders' room to volunteer to give us some guidance at the work session.

MR. HETTEL: That would be helpful.
CHAIRMAN MILLER: All right. Very good.

Due to circumstances, I had previously appointed a subcommittee to deal in particular with harness racing and Standardbred and I appointed a separate subcommittee to deal with Thoroughbred racing and so on and so forth. That's chaired by Commissioner Sargeant Reynolds.

What we'll do -- I don't know how much has gone in to the different subcommittees' work, how much has been done. Commissioner Brown was the chairman or is the chairman of the harness subcommittee.

What I'm going to do today is, due to the absence of Chairman Brown and he hasn't been here for the last couple of -- several meetings, I'm gonna ask that you, Commissioner Sargeant Reynolds, take over the chairmanship of that subcommittee also and just roll it right in to yours, and that way, it will just be a racing subcommittee.

MR. S. REYNOLDS: Sounds great.

CHAIRMAN MILLER: At the work session, we'll discuss further -- you can make whatever report you can at our meeting that day, but then we'll discuss further what the subcommittee needs to be doing then for the next several months leading up to the 2012 meets of both the Thoroughbred and the harness
industry and you'll have a lot to add to your harness agenda following this meeting and also following any formal presentation of any harness racing plan for the 2012 meet.

MR. S. REYNOLDS: Okay. Happy to do it.

CHAIRMAN MILLER: All right. Mr. Hettel, do you have an executive secretary report to make?

MR. HETTEL: Yes, sir. Probably just a continuation of a couple things that we already talked about.

I believe there'll be a necessity to establish a legislative impact study on racing to provide to the state legislature that goes into session the beginning of next year.

I think we need some stakeholders, obviously, to be involved with it along with the Commissioners and I'd like anybody who would like to volunteer for that committee to let me know in the next short period of time.

Secondarily, there's a Jockey Club report that I've distributed to any interested party. There's also an economic impact of the horse industry in Virginia report that Glenn Petty has sent to everybody, so I think everybody should maybe study that.
We'll put that committee together and it can dovetail with what Sargeant is doing with his two committees and what Dave is doing with his committee and we can talk more about that at that working session on where we need to get legislatively for the upcoming session.

CHAIRMAN MILLER: All right.

MR. HETTEL: Also this week, I attended on Sunday evening the Virginia Harness Horsemen's Association meeting and most of them are here today. I'm glad you all took the time to come. I know it's a busy cup day with training in the morning and then coming to race in the afternoon, and we certainly want to engage you all and have any comments you'd like to make, and hopefully, this will be a productive meeting for everybody.

With no further comment, Mr. Chairman, we can go ahead and continue on with the rest of the agenda.

CHAIRMAN MILLER: Thank you, Mr. Hettel.

The next item on our agenda is to hear from the stakeholders; first from Colonial Downs matters pertaining to harness racing.

MR. STEWART: Good morning. I'm Ian Stewart, president of Colonial Downs. Colonial Downs has
indicated at these meetings since at least February
and actually prior to that, that Standardbred racing
in Virginia is kind of at a crossroads.

The agreement between Colonial Downs and the
VHHA expires at the end of the year. Colonial Downs
believes that Virginia Standardbred racing can and
must do a better job of achieving common objectives
that lead to promotion, growth and sustenance of a
native Standardbred industry, which is the
legislative mandate. And by native, I take that to
mean the Virginia Standardbred industry.

Preserving the status quo of racing is not an
option. Without change, I believe Standardbred
racing in Virginia is gonna continue a steady
decline by every important measure in the industry's
health.

Currently, between purses and live meet costs,
the stakeholders, Colonial Downs and horsemen are
investing over $2 million in a Standardbred meet
that in reality really kind of offers few rewards to
Virginia Standardbred horsemen.

It suffers from declining attendance and handle
and it faces significant competitive challenges from
neighboring Standardbred tracks, particularly Ocean
Downs and Rosecroft, that are gonna offer purses
much higher than what Colonial Downs offers.

I think we must redefine our objective to stakeholders; both the horsemen, the Commission and Colonial Downs.

Colonial Downs over the last 18 months has explored a number of possibilities, including a dual meet, racing at the state fair. More recently, discussions this summer have involved refocusing the Standardbred meet on Virginia harness horsemen.

I think both Colonial Downs and the horsemen desire to manage the purse fund in a way that rewards Virginia horsemen and provides incentives to grow and sustain the Virginia Standardbred industry.

Unfortunately, increasingly, Colonial Downs will not be able to compete on a national level for Standardbred horses as Ocean Downs and other tracks supplement their Standardbred purses with other gaming revenues.

When we discussed Thoroughbred racing, we spent a lot of time talking about the beneficial consequences that quality racing has; a larger field size that generate larger handle, provides for larger purses that in turn generates larger field size.

This cycle, unfortunately, does not exist in
our Standardbred program. It is not attracting attendance and it is not attracting the level of handle that the Thoroughbred program has.

I think we should recognize that Standardbred racing in Virginia is a program basically to support the Virginia Standardbred breeders and trainers. As the numbers suggest, we can do a more effective job of distributing the purse funds if we change the focus of the Standardbred program to a Virginia program.

We believe the way to build a Bible harness industry is to give virtually all the money to Virginians and build from the ground up. This focus will result in a shorter meet but will create stronger incentives to require Virginia-bred horses. As there are more Virginia-breds in the future, the meet should grow.

In response to this discussion, the VHHA and Colonial Downs talked about a plan for 24 race days in 2012, 18 in 2013 and four hot (inaudible) days in 2014.

Colonial Downs endorses and supports this plan as long as the 24 days are conducted over five weeks, 18 days over four weeks and the four days over two consecutive weekends. Those expenses
incurred on a weekly basis define the meet in terms of weeks and is important to Colonial Downs.

I think that we can work with VHA in this program.

In July, we submitted a draft agreement for a contract for the VHA for its review and comment that captures many of the concepts we've discussed today. We can work with the VHA and come to an agreement on this.

We've completed six days of the harness 2011 meet so far. Total attendance has been 3,300 people this year, versus 5,333 for the first six days last year.

Live handle at the track on the Colonial Downs races is 116,000 this year, versus 139,000 last year; it's down 16 percent. The average per day is $19,345.

As a point of comparison, the average per day for Thoroughbreds is $97,841, or over five times as much.

Simulcast handle at the track on non-Colonial Downs races is $49,000 this year, versus $37,000 last year. We were open more days because of our second trial promotion.

Our average out-of-state handle, which is
handle that people around the country bet on our races, is $66,968 versus $55,000; 55,646 last year.
As a point of comparison, the average daily out-of-state for Thoroughbreds is 723,000 or 11 times more.

As of Sunday, we had 331 horses on the grounds. In six days, we have had 528 horses race; which 195 shipped in. As you can see, that means that the horses on the grounds have raced quite a bit.

Looking at today's program, you can see there is a number of horses that are gonna make their fourth start today, which is the seventh day of racing of 11 days. The truth is there's not enough purse money. There's not going to be enough purse money in the future to attract enough horses to run as many days as we've run in the past.

Harness handle in the OTBs is down 42 percent since 2007, if you look at just the eight-month August to August difference.

Account wagering handle is up, but what's important is that the profit margin for both the horsemen and the track is much higher on the OTB handle than it is on the account wagering handle. The horsemen arguably get five percent on OTB handle, but probably less than four percent on
account wagering handle when you put it all together.

The difference is even more stark for the track. We probably are on the margin of getting about 11 percent on the OTB handle and we're getting less than four on ADW handle.

The numbers aren't a whole heck of a lot different for Thoroughbred.

So account wagering handle is up, but it provides less purses than the OTB does and over all handle is down 27 percent. When you compound that with the fact that I've shown at previous meetings that most of the money is going to out-of-state horsemen, it's obvious to me that something needs to change.

I believe that Dr. Dunavant is on the right track with the proposal and I think with just slight modifications, we can be supportive, as long as it is part of a three-year agreement.

CHAIRMAN MILLER: Any questions? Does that complete your --

MR. STEWART: That's all I have to say at the moment.

CHAIRMAN MILLER: I know that we pick that up -- our record picks up what you've just
presented, but do you have that written in a statement that you can file with the Commission?

MR. STEWART: Sure.

CHAIRMAN MILLER: A clean copy that you can file with the Commission so that we can put in our record.

Any questions from the Commissioners of Mr. Stewart?

MR. SIEGEL: No.

MR. S. REYNOLDS: Not just at this second.

CHAIRMAN MILLER: Just to review, 24 days in 2012?

MR. STEWART: That's what Dr. Dunavant and I have talked about. As I've mentioned to Dr. Dunavant, the big cross drive with Colonial Downs is the number of weeks, and we recognize that the Racing Commission only assigns days on a year-to-year basis, so that would be important for us to have an over all plan that is encapsulated in a contract with the VHHA.

CHAIRMAN MILLER: But your proposal is for 24 days?

MR. STEWART: That's not the proposal that I'm making; that's the proposal that has been discussed with Dr. Dunavant.
CHAIRMAN MILLER: That's what has been discussed. Okay. The proposal that has been discussed as to the next year is 18?

MR. STEWART: Yes.

CHAIRMAN MILLER: And the proposal that's being discussed for next year is how many?

MR. STEWART: Four.

CHAIRMAN MILLER: Four days, two weekends?

MR. STEWART: Yes.

CHAIRMAN MILLER: Just wanted to be clear on that.

So there are no questions for Mr. Stewart at this time.

All right. Dr. Dunavant from the Virginia Harness Horsemen's Association.

DR. DUNAVANT: Thank you. I'd like to say we've got a pretty good group of people on the back stretch. We've had nice, competitive races. We have been plagued by terrible weather. Our attendance is down a bit, but the fair was supposed to boost us up and we were in a monsoon. Weren't that many people here at the fair and they couldn't get outside if they wanted to.

But we've had some good racing. We've had three to five horses get to the wire together.
We've had some good pay-offs.

I think everybody enjoys racing here, but the horsemen agree that there are problems with all racing, not just Standardbred racing. We're in an all-time sense of the Great Depression. Economy is down. People don't have money to wager and at any rate, I don't know that anybody has a quick answer.

I appreciate the fact that Mr. Miller has appointed a new chairman of the committee to study Standardbred racing.

Mr. Brown knows harness racing as well as anybody in this room and I've been quite upset that I can't get in touch with him and we haven't had an opportunity to meet with that committee.

Look forward to meeting with Mr. Reynolds. Mr. Stewart and I met and discussed some things about the future of harness racing.

There is some dissension among my harness horsemen as to what is the best approach to take and we have ongoing negotiations in that area. I don't know that anybody really has what's the answer to increase the popularity of harness racing in this state, but we will come up with a plan.

I'm not gonna tell you that we are going to have -- ready to sign a contract next month or when,
but I feel like we'll certainly have something in
place by the time our current contract expires at
the end of December.

I've got a member of the Board of the Virginia
Harness Horse Association that wants to make some
comments today, Dr. Scott Woogen. He and I are
great friends and colleagues and we have a little
bit of a difference of opinion on what is the proper
approach and that carries over to our horsemen that
are here from out-of-state.

They all want to come here and race. I wish we
had the money and the wherewithal to race 150 days a
year, but the model has changed and we're at a
crossroads and we've got to come up with some
answers.

CHAIRMAN MILLER: All right. Thank you
Dr. Dunavant. Any questions of Dr. Dunavant?

NOTE: There is no response.

CHAIRMAN MILLER: Dr. Scott Woogen. How do you
spell that?

DR. DUNAVANT: W-O-O-G-E-N.

CHAIRMAN MILLER: W-O-O-G-E-N. So Dr. Scott
Woogen.

DR. DUNAVANT: He's a gastroenterologist here
in Richmond and quite an amateur driver. I don't
know if he's still an amateur or not.

DR. WOOGEN: I'm still an amateur.

CHAIRMAN MILLER: Dr. Woogen, just come up and have a seat, if you would, and we'd like to hear from you, sir.

DR. WOOGEN: I appreciate the opportunity to speak to the Commission. I am a gastroenterologist first, but my passion is harness racing. I'm an amateur driver and owner of horses and have been involved in the efforts to bring racing to Virginia first, then bring on-track betting parlors to Virginia second, and finally, bring Colonial Downs to the state third.

I think since we've been involved for so long, I wanted to give a historical perspective of where we started and where we are today.

About 20 years ago, not quite 20 years ago, the license was approved by the state to build a race track. Nobody came forward to build a track because a stand-alone race track is a losing proposition. We all recognize that; we all understand that. I don't know of any race track in the country that without supplementation of some form could survive in today's world.

Because of that, we went back to the

CAPITOL REPORTING, INC.
(804) 788-4917
legislature and worked hard to get them to allow the licensee to have off-track betting parlors, understanding that that was basically a way to defray the cost of a live racing meet and allow for a profit beyond, and the model was great when it was implemented.

It was further strengthened by six additional licenses being granted to Colonial Downs several years later, now allowing them over tens of OTBs in the state.

With that, we've had some live racing and we've enjoyed racing here. We've always been approximately 20 to 25 percent of the total handle throughout the year in racing in the state, so harness racing is generally in the low 20 percent of the total handle.

That has not changed in 13 years, meaning that no matter what the economy does and how betting fluctuates up and down, we have a faithful following that continues to bet harness racing, as opposed to Thoroughbred racing. We are about a little more than a fifth of the total handle.

That doesn't sound like a lot, but when you consider that beyond the cost of doing business on your Thoroughbred side, that with the off-track
betting parlor, that additional 20 to 25 percent is
generally profit, I think Colonial Downs has failed
to recognize that that's made them solvent and
probably made them quite a bit of money over the
years.

Having said that, I just want to point out
again that no matter how the economy fluctuates and
no matter how our meets have been conducted, we've
been able to maintain our market share.

So although the numbers that you heard from
Mr. Stewart show some doom and gloom, it really
reflects doom and gloom on the industry. If the
percentages haven't changed, then certainly the
Thoroughbred handle has dropped to a significant
amount as well.

The real issue here is racing in general and
not harness racing and we feel somewhat scapegoated
because we're easy prey. We feel we're easy prey
because not many people understand the game. Not
many people understand what's going on here.

But we strive to put on a live meet. We have a
lot of dedicated trainers and drivers and people
come from out-of-state. We fill the box. We
generally have large fields and we generally have
competitive racing.
Unfortunately, we have not had stability. We have not had partnership with Colonial Downs. We have had an adversarial relationship for 13 years. Each year is a struggle. Each year, we hear how harness racing is a losing proposition. What we don't hear is the whole story; that all racing at Colonial Downs, live racing is a losing proposition.

My understanding is the Thoroughbred meet lost more money than the harness meet, to the tune of a million dollars versus $600,000 last year.

We understand that. We also understand that it's expected. It's expected that you're not going to be able to make money as a single proposition by racing live horses. We understand that the off-track betting parlors have been commissioned for that reason.

Now something's happened the last few years which I think is the reason that Colonial Downs has been more adamant about changing harness racing.

There's been the advent of Internet betting and Internet betting now is easy. It's comfortable. You can bet the races, watch them on your computer. You can bet them in your living room and you can sit there. You don't have to pay an admission to an off-track betting parlor. You don't have to drive
30 minutes from Richmond to get to this facility.

Not only that, but a lot of these Internet sites will offer a rebate, so for the real betters, there's a substantial amount of money coming back to them by betting on the Internet.

What has that meant to Colonial Downs? I suspect it has meant drop off in attendance and drop off in handle, both at the off-track betting parlors and in live racing.

To further complicate things, Colonial Downs has implemented -- what they hope to implement is hundreds of betting machines around the state and bars and restaurants. I think there's nothing wrong with that. I think it's an excellent idea, but what you're looking at is competing with yourself.

You've competed now. You've opened up your own Internet site and your own telephone wagering. You've opened up tens of these betting sites in bars and restaurants and hope to open up hundreds, and yet you worry about attendance here. Well, unless you make this facility an area where there's an event going on beyond racing, there's absolutely no reason for people to come here.

It doesn't mean they're not watching the races. It doesn't mean they are not betting. I suspect
more people are watching our races than have before
because of all these opportunities, but we can't sit
here and look at live racing results and live
attendance results as an isolated piece of
information. We have to look at the big picture.

The model is changing. The off-track betting
parlors are not as lucrative for Colonial Downs. We
recognize that. We are willing to work hard with
Colonial Downs to cut their costs.

Along those lines, we were asked to race
afternoon racing. We were told that it costs $5,000
a night to run the lights. Harness racing,
generally, is a nighttime sport or at least an
evening sport. Our fans generally are working
people that have an opportunity to come to the track
or bet at home or bet at the off-track betting
parlors after work.

We have given that up in order to satisfy
Colonial Downs' request to save money on the
lighting. Because of that, we're racing Saturday
and Sunday afternoons in the fall.

Virginia -- if nothing else, Virginia is all
about college football. College football, one
o'clock on a Saturday afternoon. What kind of --
The competition we're facing is tremendous. Sunday
afternoon, one o'clock, professional football all fall.

This is not the best venue for us. It's not the best time. It's not the best situation. We're working with this at Colonial Downs' request and we recognize that it will lead to a decrease in handle and a decrease in attendance.

We would love as an organization to have Colonial Downs be a partner, a true partner in trying to figure a way of optimizing profits for them and optimize opportunities for us. As of yet, we have failed to get that partnership.

But the reason I'm here today is to really stress that number one, our percentage of the market share is unchanged. We don't get the support in terms of marketing. We don't get the events out here that the Thoroughbreds do and we have not had a circuit with Maryland, which is a tremendous advantage for the Thoroughbreds.

But we hold our own and through all that and through changing our times and changing our dates and change and change, which makes us not to be able to recruit a fan base that will bet our sport and bet our product continuously, but we hold our own in the face of all this so there is interest.
We can do a better job, but we need a partnership and we need to stop hearing the words that harness racing has to go away. We are not the problem. We can be part of the solution if we're allowed.

There was some comments made by Colonial Downs about a legislative mandate. I want to point out that the legislative mandate also called initially for 150 days of live racing. That's certainly not gonna happen in this economic climate, but there are other mandates besides growing a Virginia industry.

In terms of Virginia industry, the way the sire states program was envisioned, it was to try to provide mares owned by Virginians and then stallions, who with the advent of casino gambling and racinos, [ph] the purse structures of sire states programs in adjoining states is so astronomically high compared to us that we've had to alter the way we consider our sire states program.

We have a difference of opinion on the board of the best way to approach that and internally, we'll solve that problem in the next few weeks. We'll come up with a position that the board will agree on and we'll move forward and present that to you.

But I think right now what we have, if we talk
about money in the sire states program going out-of-state, our current program as envisioned by our commissioner, Mr. Brown, was a Virginia -- was a mare coming into the state, no matter who owned her and where she was from, come into the state, foaled here, keep the mare here six months and that foal was eligible.

So I envision that if we continue along that path, all we're doing is encouraging out-of-state owners of mares to foal in Virginia. It really doesn't raise our native racing industry.

So I think in my opinion, we have to look at our sire states program a little differently and certainly the thoughts of going to a four-day Virginia-bred meet is gonna be racing out-of-state horses who have been foaled here and bring the money out of the state; not what the Commission of the state envisioned.

In terms of Ocean City and Rosecroft purses, they're not higher. They may be higher in the future. In fact, they are lower than here, so we are competitive with our neighboring state.

We would like to raise our purses and one of the thoughts we've had was maybe to decrease racing days somewhat in order to augment the purses further.
and we'll present that to you.

The level of attendance we've talked about. And handle, we're a victim both of weather and timing change. And again, we've talked about the breed and we really have to think about a better way to do a sire stakes program.

So I thank you for your time and I'm certainly here to answer any questions you might have.

CHAIRMAN MILLER: Thank you, Dr. Woogen. Any questions or comments from the Commission?

MR. S. REYNOLDS: Obviously, I have a lot of questions, but I think we'll save that for the work session. I think there are a lot of issues here, so I think it will go beyond the work session and we'll, you know, have as many committee meetings as we need to try to flush all this stuff out and try to come up with the right answer.

So I always like a challenge and I think we've got one here. Sounds like we've had one, so hopefully, we will all work together and come up with a good solution that works for everybody.

DR. WOOGEN: Thank you.

CHAIRMAN MILLER: Dr. Woogen, you suggest that perhaps in the next few weeks, you'll have a meeting of your board and after that time, you'll have a
MR. BROWN: Consensus.

CHAIRMAN MILLER: Consensus. I was trying to think of the adjective that would go with consensual. A more agreement among all your people.

DR. WOOGEN: Absolutely. I'm sorry we didn't have the meeting before today and we were hoping to be able, of course, to present a real proposal today and as of yet we don't have that, but certainly within next few weeks, we should have that. There's really no reason not to, and certainly, we're holding up the whole process if we don't.

CHAIRMAN MILLER: All right. Do you have any -- Are there any other among the group assembled here today from the harness racing group that would like to address the Commission?

MS. LISI: I would. I apologize for my barn clothes.

CHAIRMAN MILLER: Will you come forward and state your name?

MS. LISI: My name is Nancy Lisi.

CHAIRMAN MILLER: Last name?

MS. LISI: Lisi. L-I-S-I.

CHAIRMAN MILLER: L-I-S-I. Thank you.

MS. LISI: I'm part of the group that promotes CAPITOL REPORTING, INC.
(804) 788-4917
harness racing, Preserve Harness Racing, LLC.

What I'm really pleased to see is that two people that don't quite agree would get up in front of a race commission and say we don't quite agree, but we will have an agreement together.

In Maryland, the stronger one will squash the weaker one and there will be no message or any disagreement and it will be kept under wraps, so I just wanted to commend the Virginia Harness Horsemen because they show a lot of freedom of speech and they are working together and everybody wants to come to a real agreement.

What's happened is a lot of Maryland people have come over to Virginia and are now Virginia horsemen and they're stabled at Woodstock. They had to flee because of the closure of two back stretches there. It was a disaster for us. We live near D.C. Unless you want to graze your horse on the monument grounds, there's nowhere to put your horses, much less train them.

CHAIRMAN MILLER: You wouldn't put them close to the monument now.

MS. LISI: No. And if there's an earthquake, you're in trouble.

So I just wanted to point out that we are
really grateful to the Virginia people for including us so readily as refugees and we hope that there will be some, you know, agreements made.

CHAIRMAN MILLER: Thank you.

MS. LISI: And we will help promote, because we believe that track owners, maybe because of necessity, fall short for real promotion of race tracks.

We take to fairs, county fairs or to events, environmental events, we take a small, movable display which explains harness horses to the people. We have equipment on it.

Sometimes if room allows, we'll take a horse and the kids will come and they'll ask questions and we are always amazed at the interest it generates in the sport when people actually see what the difference is between a trotter and pacer or they get to see the historical Courier and Ives that we'll put out. The harness, the kids will try the helmet and the colors on.

So we have done quite a number of displays this summer and we'll keep on doing those.

CHAIRMAN MILLER: All right. Thank you very much. Any questions? Any questions for Ms. Lisi or comments?
MR. STAPLES: I have one.

CHAIRMAN MILLER: All right. Yes, sir.

MR. STAPLES: I think really the whole thing boils down to exposure. There's no exposure all over the country. Horse racing -- horses are very, very much underexposed. That's a hell of an idea, hooking up the kids. See, they forgot all about the kids. They bring their uncles and their aunts and so forth and so on like Disney. It's coming. I think we're gonna make it.

CHAIRMAN MILLER: Okay. The gentleman in the back.

REVEREND FULLWOOD: Yeah. I'm Reverend Arthur Odell Fullwood from Myrtle Beach, South Carolina. I don't mind racing my horse, but I don't go along with your betting and all, you know. That's fine if anybody else feels good.

Personally, I feel condemned for that when we drive all the way from Myrtle Beach, South Carolina and we had an opportunity to go to California.

They said they was racing the same horses over and over and they would pay you $3,000 to go out there and race, but it would come out of your purses and all because they would race the same horses over and over, you know, and there's no competition.
So I don't feel like there's enough horses in Virginia to even have harness racing if you don't let the outsiders like us come in or whatever, you know.

I really enjoy it and I want to say that I love everybody in Virginia. I've been a lot of places, but I've never met anybody that's no nicer than people in Virginia. Thank you.

CHAIRMAN MILLER: Thank you, sir.

MS. GAWRON: My name is Helen Gawron and I just wanted to say as Dr. Woogen had said, we are a community. All over the United States, any race track you go to, we feel like we are family. This is something that's in us.

And as to the county fairs, we bring harness racing to the county fairs and the set-up booths and it's a light.

There's something that's really soft in all of this besides the gambling, you know, and that is a family and I believe that like Reverend had said, bring it into the community too, at your grocery stores and feed mills and everyone. It's a contribution. It's just positive. We're a good group.

CHAIRMAN MILLER: Thank you. How do you spell
your last name?

MS. GAWRON: G-A-W-R-O-N.

CHAIRMAN MILLER: Thank you. Sir?

MR. LUNGUL: Yes. My name is Jerry Longul [ph] and I've been racing horses for 48 years, harness horses for 48 years. This is my second year here and I really like it and the proposal that this gentleman made was, you know, 24 then 18 and four.

If you happen to go with that, after four or after 12, then there will be no more racing after that here in Colonial Downs, if that's what he's saying. You can't race a four-day meet; nobody will come.

I come 24 hours straight to drive here when I brought nine horses here and then there won't be nobody coming for a four-day meet. If you don't want harness racing in Virginia anymore, then you'll approve that, but I won't be coming back. All right. Thank you.

CHAIRMAN MILLER: Thank you. Any questions or comments regarding the last two speakers? Any commissioners have any questions, comments?

NOTE: There was no response.

CHAIRMAN MILLER: All right, sir.

MR. MILIUCCI: My name is Dino Miliucci. Would
you like for me to spell that for you?

M-I-L-I-U-C-C-I.

I been coming to race here at Colonial Downs since 1991. I live in Virginia. I live in New Jersey. I'm a licensed trainer-driver. I breed horses, currently racing a Virginia-bred horse that I raised at my farm in New Jersey after she was foaled here in Virginia at one of your horsemen's farms, Jan Noffsinger.

I'm also a licensed insurance agent in numerous states. I'm also a licensed racing official with the USDA and I represent a number of horse harness supply companies, so I'm a pretty busy guy. I have two children in college and my wife is back home in New Jersey, but I'm here to race one horse in Virginia and I want to say two things.

Since I've been here, I've spent about $3,000 on food, supplies, horsemen supplies, lumber, restaurants, et cetera, et cetera, and everywhere I go, people made comments; hey, what are you doing here from New Jersey? I'd tell them that we're racing horses here in New Jersey [sic] and 100 percent of those people were unaware that we were racing right now at Colonial Downs and I think that that's pretty alarming, considering that those
people I met were within 30 miles of this race track.

The other thing I wanted to say is that if the Association and the Racing Commission and Colonial Downs feels that they have made the best effort that they possibly could to promote harness racing and to improve the environment, then that's wonderful, but if you haven't and you don't feel that you have, then I think you have some work to do. Thank you very much.

CHAIRMAN MILLER: Thank you. Any questions or comments relating to the last speaker?

MR. STAPLES: Yes, sir. He's right on time. In Laurel, same way. You can go around Laurel Park right now and I guarantee you 40, 50 percent don't even know they're racing. You may find it hard to believe, but I take you up there if you put enough money.

It's a true story. America does not know we are racing. Eighty percent. That's the truth. Then you got Will on ESPN ragging on us all the time, him and Cornhouse. [ph]

These people got -- and I've always wondered why the Standardbred or all horse people haven't been together. Hauling these horses or anything
with four legs and a tail, but I see it coming. I
do. I see it coming.

My name is Staples, if she needs my name.

CHAIRMAN MILLER: She's got your name she says.

MR. SIEGEL: Everybody knows you.

MR. STAPLES: Okay. I see it working out for
all of us, specially in the Commonwealth.

CHAIRMAN MILLER: Any other person here in the
crowd wish to address the Commission?

Yes, sir.

MR. GAWRON: My name is Ted Gawron. I'm a
trainer here. I have a couple horses. I just want
to say that the four-day meet that he's proposing to
bring money to Virginia horsemen, that I don't see
how that can work.

People are not going to -- Virginia people are
not going to breed harness horses to race two
weekends. You can't do that. You're gonna spend
money all year to race two weekends? Unless you're
racing for $2 million a race, you can't possibly
make any money and you can't possibly bring any
breeders or owners into this state with a four-day
meet. You can't do it.

You have to look elsewhere at what is working.
Look at a state like Indiana, who three years ago
had nothing, no racing. Now they have racing. They are the number one state in the country now for breeding horses and you look at the number of farms that have moved into Indiana because they have one of the best sire state programs around and the money is there.

And I don't -- Everybody here can tell you how many farms have moved into Indiana. I'm from Ohio originally. All the farms in Ohio have moved to Indiana. The amount of money that that brings in to Indiana has to be astronomical.

Like this gentleman said, he spent $3,000. I've spent. All those people that bring their farms in there. Midland Acres, one of the top farms in Ohio opened up a farm in Indiana. They moved most of their stallions to Indiana. They had to buy that land. They had to hire people to work that farm.

They have two or three Indiana sales now in Indiana where they sell all those yearlings. They just had one that they sold 350 horses. They had another one they're selling 650 horses. Those are all horse-bred and raised in Indiana. You can't do that with a four-day meet. That's not gonna work.

CHAIRMAN MILLER: All right. Thank you. Any questions or comments or response to the last
speaker? Dr. Dunavant?

DR. DUNAVANT: I'd like to agree that what has happened in Indiana and the reason that has happened is that the alternative gaming program -- and they have put the money up so people can afford to breed horses there and buy farms.

Before they -- a six-day is actually what we talked about. We were looking at what money we had. They could put money up enough so it would be profitable to race foals there. We don't have the money here. We don't have alternative gaming and we're not gonna get alternative gaming.

In order to salvage a breeding program, people have got to be able to go for a purse that can support that.

The thinking on part of our board was that if we could race for 100,000 to $200,000 finals and have three $20,000 races, then a Virginia-bred horse would be worth some money and it would be worthwhile to breed them.

As it is now, we go for $35,000 purses and that's not a good overnight purse in Pennsylvania, so it's not profitable to breed horses in Virginia at this time. Hopefully, we can make some changes. I would like to find a great big pot of money that
we could race for, but I don't know where we could
get it.

The other comment that I would make is the VHHA
is interested in a promotion for this meet. Sunday
was our first promotion and it really turned out
well.

We put on an Own A Horse For A Day program.
You've got to be here present at the races
Wednesday, which is today. After the seventh race,
we're gonna draw ten names. You must be present and
come down if your name is drawn. They'll register
you.

You've got to be back Sunday morning at 10:30
to draw a horse in a race that day and we're gonna
try to have ten horses.

In our inaugural thing, only nine people were
here that were drawn and fortunately, we had a
ten-horse race and one horse scratched so we had
nine people that had a horse.

We bring them down, they issue them day passes
after they draw their horse. Carry them down,
introduce them to their trainer, let them see their
horse. All of them had cameras and were elated.

The horse that wins, that person got $1500 and
we pay back to fifth. Fifth place horse got $150

CAPITOL REPORTING, INC.
(804) 788-4917
and four people didn't get a dime. They found out what it was like to be a horseman.

But today will be our second day of that at Colonial Downs. Darryl Wood has done a good job. We had -- on the radio. We had a reporter from the Tidewater area for the newspaper that came and took pictures and was over there and we had some real happy people that really enjoyed coming to the barn, meeting horses and participating. So hopefully, it is going to attract people out here.

You've got to be here Wednesday and you have gotta be here Sunday for the races and hopefully that'll put some people over there.

CHAIRMAN MILLER: Thank you, Dr. Dunavant.

Just to make it clear for the record, one of the speakers mentioned this was a proposal. I hope we made it clear at the beginning of the presentation these are discussion points. No one is formally proposing at this time any particular race day.

We as a Commission, as I understand it, are being advised by the stakeholders that these are points of discussion and ideas that they are discussing among themselves now and hopefully will come together with some kind of formal proposal in
the future relating to race days.

    Have I couched that correctly?

   MR. PETRAMALO: Yeah.

   CHAIRMAN MILLER: All right. Someone one.

   Yes, sir.

   MR. TROTTER: I'm Greg Trotter. [ph] I've lived in Virginia for the last 11 years. I've raced here since they opened. Formally a Maryland resident also that got shipped out of there.

   I understand this is the proposal part and it's just the beginning and Dr. Woogen had mentioned on this some and one of the comments from Mr. Stewart was a lot of Virginia money is not going to Virginia people.

   If you go to this program, my feeling is -- and it won't be beared out until we do it to know what's gonna happen -- when you have that much money, you'll find like in every other state, the top stables and top trainers start buying those Virginia-breds.

   They take that money and they'll take it out-of-state. Yes, it'll benefit a few breeders, but it won't benefit many. So to me, the majority of the money will benefit the least amount of people. Just something to keep in mind. That's all
I have to say.

CHAIRMAN MILLER: Thank you. Any response or questions relating to the last speaker?

NOTE: There was no response.

CHAIRMAN MILLER: All right. Was there anything further from the stakeholders or from Colonial Downs?

NOTE: There was no response.

CHAIRMAN MILLER: Any Commission member have any further comment?

NOTE: There was no response.

CHAIRMAN MILLER: All right. So just to try to sum up where we are; what we've heard today discussed are some points of discussion that are being explored by the licensee and also the stakeholders, especially in the harness racing and Standardbred area; is that correct?

Well, just as a final wrap-up comment. Unfortunately, the sports business in this country has become highly lucrative and competitive and unfortunately, some of the classic sports such as Thoroughbred racing and Standardbred racing are being pushed pretty hard by some of the more glamorous, macho sports that get a lot of publicity; football, professional football, professional
college football --

    MR. STAPLES: Professional. That's right.

That's what it is.

    CHAIRMAN MILLER: -- baseball, soccer.

Everything. I mean it's very, very competitive and it is very sad really sometimes to see what's happening to some of the sports that we love and I know how difficult it is to compete with the big money and the publicists and the television networks and the sports networks that push some of the sports to the bottom rung.

But I still, as several of the speakers have said, Dr. Woogen in particular, there is a certain base in every sport, a base following. Harness racing certainly has a base of fans that are going to always be there. Thoroughbred racing has the same and the question is whether we can fight and persevere in this highly competitive environment.

So it behooves both the licensee and the Standardbred folks and the Thoroughbred industry people to all try to first of all reach points of agreement and to have a united front, because it's tough enough as it is.

So hopefully in your decisions and in your board meetings and in your negotiations relating to
contracts for future years, everyone will keep that in mind that it is very important to try to reach points of consensus as we go forward.

MR. SIEGEL: Mr. Chairman, I would just like to say, and I'm sure the other commissioners will agree, this has been a pretty enlightening discussion for us.

We have learned a lot from this and I think it's terrific that these horsemen will turn out and speak on behalf of their group. We don't get enough of this.

The people that you see sitting across the front of this table across from me do a great job representing the various entities, but nothing speaks louder than the horsemen themselves. So I would continue to urge you to come to these meetings when you have time and when it's appropriate to speak to us.

Whether you're a Thoroughbred person or a Standardbred person, this is the kind of input that we need that's very helpful to us as we discuss these things among ourselves and try to come to our own conclusions about what's best for racing in Virginia. So again, thank you very much for all of you being here.
CHAIRMAN MILLER: Any other comments from the commissioners?

MR. SIEGEL: This gentleman here.

CHAIRMAN MILLER: Yes, sir.

UNKNOWN SPEAKER: I'm from Ohio and I've been to numerous meetings and I really am surprised at how much this gentleman here, Mr. Reynolds, has been documenting the whole meeting. In Ohio, our Commission usually doesn't do that. I'm really happy to see that he cares so much to document in writing and enlighten everybody.

The only person I know in here -- this is my first year here -- is Mr. Woogen. I'm a young guy just trying to make a go of it here and really like what I see between the Commission and the horsemen trying to resolve an issue to keep things going. I'd like to make that comment.

CHAIRMAN MILLER: Thank you.

Anything further? Yes, ma'am.

MS. LISI: I just wanted to say that mutually, an agreement, we have to think positive. This is our life and we have faith, you know. This is what we live, eat, breathe. This is who we are. It'll happen, you know. We think positive.

CHAIRMAN MILLER: Thank you.
MS. LISI: Thank you.

CHAIRMAN MILLER: The next item of business on the agenda is public participation, so I would call on if there's anyone here today with any comments beyond what has already been discussed beyond harness racing. I mean other things. Take your pick.

If there's anything anyone would like to comment on at this time that the Commission -- would be for the benefit of Commission.

UNKNOWN SPEAKER: Yes. I just have a question. Has anybody ever tried to get slot machines in the race tracks?

MR. GAWRON: We tried for 20, 30 years and Illinois still haven't go it.

CHAIRMAN MILLER: Well, I might just tell you that in Virginia, we face a real challenge politically in Virginia relating to any kind of gaming.

MR. GAWRON: Any kind of gambling.

CHAIRMAN MILLER: What we prefer to call gaming, but of course we're trying -- What we're trying to do as a Commission and I think the licensee is trying to do also and the horsemen's groups in Virginia, we're trying to explore
everything we can to enhance the purse structure in Virginia, whether it be by percentages that might be derived from the off-track betting or from ADWs or satellite wagering and any other way that we can enhance the purse structure.

We're not going to be able -- I think at this point, there's no use to hold out any great hope there's going to be an explosion of revenue from gaming.

As a matter of fact, in Virginia just as in some of the other states, there are many who indicate that what you would call the straight slot type gambling really isn't, in the long run, beneficial to the racing industry itself for building the horse industry. It is beneficial in building up purses in some other states; our neighboring state of West Virginia, for example.

MR. STAPLES: Charles Town.

CHAIRMAN MILLER: When you go to Charles Town race track and slots --

MR. SIEGEL: And casinos.

CHAIRMAN MILLER: -- there's a good reason why they put "and slots" in their advertising, because that's principally what it is. You go there on any given night or given day and you'll have 6,000
people playing the slot machine and 3,300 people watching the race.

MR. STAPLES: Right.

CHAIRMAN MILLER: But these are all issues that we have to look at, but we do recognize that we have to do whatever we can to try to build up the purse structure in Virginia and hopefully, that's something that we'll be able to do in the future and we'll have to live without slot machines.

You haven't been here long enough to understand the political structure of Virginia, which is a very proud and notable 18th Century structure.

Any further public comments?

MR. STAPLES: Yes, sir. With all due respect to the gentleman that made a statement a little earlier, there are tracks that do stand alone with no other gambling other than horse racing. They're out there. Keeneland is one of them, if you ever heard of Keeneland, 75 years. That's what we're gonna have to do in Virginia, because slots are dead on suggestion, not arrival.

MR. MILLER: Thank you.

MR. STAPLES: You're welcome.

CHAIRMAN MILLER: The next meeting we've already dealt with and that is set for October the
26th, 2011 at ten a.m. A notice will be sent. The meeting will be identified at that time.

MR. HETTEL: Yes, sir.

CHAIRMAN MILLER: In addition to that meeting, we'll be having a session to discuss the racing industry and problems, possible solutions, future, et cetera. That's what we hope to derive from the work session that we will be putting together on that day and I hope that people who are here today that many of you can attend.

I would also interject that it would be helpful that the people from the harness industry and Standardbred industry that have been here today, that as you keep up with the issues here in Virginia, it would really be helpful if you could help to communicate with our legislature and with our governor's office in the future relating to what you believe, relating to the horse industry, what you believe would be beneficial and the degree that you feel that the legislature and this governor and future governors should get involved in trying to help sustain the horse industry in Virginia and the harness racing, Thoroughbred racing, et cetera.

It's very important because many times when it comes to dealing with the political issues, the
licensee or individual Commission members or Commission collectively are the only people that seem to be communicating and we don't get -- We don't get the attention that is given to someone who's a voter or related to a voter back home in that constituency of the various legislators or the governor, so hopefully, you'll take a real political interjection, real political activity to help your industry here in Virginia.

We're going to go into a closed session. We have to discuss some internal matters, closed meeting of the Commission, after which we will have to return to this room to adjourn.

When we do return, we have nothing else on the agenda, so there's nothing else that will be officially discussed when we return to our meeting, other than the motion to adjourn after we finish our closed meeting. So I just advise you of that in case you don't want to stay for the entire meeting.

In accordance with the provisions of Section 2.2-3711(A)(1), 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 or appointee or employee or member of the Commission.
and in accordance with the provisions of Sections 2.2-3711(A)(7) of the Code of Virginia, I move the Commission go into closed meeting for the purpose of consultation with legal counsel or employee retained by the Commission regarding specific legal matters requiring the provision of legal advice by such counsel.

All in favor, say aye.

MR. SIEGEL: Aye.

MR. D. REYNOLDS: Aye.

MR. S. REYNOLDS: Aye.

CHAIRMAN MILLER: Do we have to have a recorded individual vote?

MS. DILWORTH: No.

MR. SIEGEL: Just when we come back.

CHAIRMAN MILLER: Motion's carried. We're going into a closed meeting. We shan't be long.

NOTE: There is a recess from 11:21 a.m. until 11:59 a.m.; thereafter, the hearing continues as follows:

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

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

WHEREBY, Section 2.2-3712 of the Code of
Virginia requires a certification by this Commission
that such closed meeting was conducted in conformity
with Virginia law;

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

All in favor of the resolution vote aye.

Commissioner Reynolds.

MR. S. REYNOLDS:  Aye.

CHAIRMAN MILLER: Commissioner Reynolds.

MR. D. REYNOLDS:  Aye.

CHAIRMAN MILLER: Commissioner Siegel.

MR. SIEGEL:  Aye.

CHAIRMAN MILLER: And I vote aye. Has to be
recorded.

MR. SIEGEL:  I know.
CHAIRMAN MILLER: I move we adjourn.

MR. HETTEL: Second.

MR. D. REYNOLDS: Third.

MR. S. REYNOLDS: Fourth.

CHAIRMAN MILLER: We are adjourned.

NOTE: The meeting is adjourned at 12:02 p.m.
CERTIFICATE OF COURT REPORTER

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

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

Given under my hand this 23rd day of October, 2011.

_________________________
SANDRA G. SPINNER
COURT REPORTER

CAPITOL REPORTING, INC.
(804) 788-4917