

1 VIRGINIA RACING COMMISSION

2 March 17, 2014

3 10700 Horsemens Road

4 New Kent, VA 23124

5 Commencing at 10:08 a.m.

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11 COMMISSION MEMBERS:

J. Sargeant Reynolds, Jr., Chairman

12 D.G. Van Clief, Jr., Vice Chairman - Via teleconference

Carol G. Dawson - Via teleconference

13 Stran L. Trout

14

15 COMMISSION STAFF:

Bernard J. Hettel, Executive Secretary

16 David S. Lermond, Jr., Deputy Executive Secretary

Kimberly C. Mackey, Office Administrator

17 C. Richard Harden, DVM, Equine Medical Director

Courtney Reid, Permitting Clerk

18

19 ATTORNEY GENERAL'S OFFICE

Joshua E. Laws, Esquire

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1           MR. LAWS: Good morning. I'm Josh Laws from  
2 the Attorney General's office. We have four  
3 commissioners who can take official action on the  
4 Commission currently; only two of them are physically  
5 present.

6           Under Virginia law, you have to have a quorum  
7 physically present in order to take any official  
8 action. Because we have four members on the  
9 Commission who can take official action and three  
10 physically present to constitute a quorum, we don't  
11 have -- basically, three present -- we don't have a  
12 quorum, so we can't take any action, we can't vote or  
13 have hearings or listen to any appeals. What we can  
14 do is have a public meeting where people can just  
15 voice their opinion on issues, if the Commission  
16 wants to hear it. So that's where we are today.

17           MR. HETTEL: So we'll have that public meeting  
18 at ten o'clock?

19           MR. REYNOLDS: Ten o'clock, unless everybody  
20 gets here early, we can start early. Let's say  
21 ten o'clock.

22           MR. HETTEL: We'll wait for the folks  
23 from Colonial Downs to come, and we can discuss but  
24 not vote on the 2014 race dates. Okay.

25           MR. VAN CLIEF: Bernie? Sarge?

1 MR. HETTEL: Yes. Go ahead.

2 MR. REYNOLDS: Yes.

3 MR. VAN CLIEF: This is DG. While we have  
4 everybody on the phone for a few minutes, before we  
5 ring off, could we talk about that meeting just a  
6 little bit? Can we do that legally, or do we have to  
7 wait to convene the meeting to speak?

8 MR. LAWS: What do you want to discuss?

9 MR. VAN CLIEF: I wanted to discuss our  
10 response to what I assume we're gonna hear from the  
11 horsemen and the track management this morning.

12 MR. LAWS: Any time you have more than two  
13 Commission members that want to have a conversation,  
14 it's considered a meeting. So the only way we could  
15 have a meeting would be a closed session. If you  
16 want to get some legal advice on a particular issue,  
17 we can go in closed session, but if you just want a  
18 general discussion, that's not sufficient.

19 MR. TROUT: Or I could leave the room.

20 MR. VAN CLIEF: That's what I wanted to know.  
21 We'll wait until ten o'clock.

22 MR. LAWS: Sorry, DG.

23 MR. REYNOLDS: DG, I can give you a call. Once  
24 we hang up here, I'll give you a call.

25 MR. VAN CLIEF: Sarge, what number are you at?

1 I'll give you a call right back.

2 MR. HETTEL: Call my cell.

3 MR. REYNOLDS: Bernie's gonna give you his cell  
4 number.

5 MR. LAWS: If everyone else on the call just  
6 wants to call back five minutes to ten, we can do  
7 that.

8 NOTE: There is a recess until 10:08  
9 a.m.; thereafter, the hearing continues as follows:

10 MR. REYNOLDS: Good morning. DG and Carol  
11 Dawson on phone.

12 MR. WEINBERG: Morning.

13 MR. REYNOLDS: Calling the meeting to order.

14 First of all, thank you all for being here today.  
15 It's always a tough call when we show and wonder  
16 should you cancel something or not cancel it, but  
17 this would have been the third time we canceled this  
18 meeting, so we thought we needed to try to have this  
19 meeting, but unfortunately, some of the folks did  
20 fall victim to the weather; therefore, this  
21 Commission today does not have a physical quorum  
22 here. We do have two commissioners on the phone;  
23 Commissioner Van Clief and Commissioner Dawson, and  
24 we have Commissioner Trout and myself here.  
25 Commissioner O'Hara has recused himself from the

1 meeting today, so we have two physical commissioners  
2 here.

3 So while we cannot take action on anything today,  
4 still, it provides us a good forum to obviously  
5 listen to all the concerns and what's going on  
6 between the horsemen and the track and the dispute  
7 over racing days. So certainly, a lot of you all are  
8 here because of that, and we look forward to  
9 everybody's comments later in the meeting when we  
10 discuss the 2014 Thoroughbred racing.

11 Going through this, we'll have to skip the  
12 approval of the minutes for the December 11th and  
13 January 21st meetings. We'll take action on that at  
14 the next meeting.

15 Let's see. The next part is Commissioners'  
16 comments. I might wait until Mr. Ross gets here  
17 before we do that, and then Bernie, what about the  
18 VHHA contract?

19 MR. HETTEL: That's an actionable item. That's  
20 approval of the breeders award money, so we have to  
21 wait on that. The administrative regulations is  
22 going to have to take a vote on that, so we're down  
23 to Colonial Downs's request and Gold Cup's request.

24 I think we can do Gold Cup, because that's not  
25 gonna take any action. That's just a matter of

1 statement of what they intend to do.

2 MR. REYNOLDS: Okay.

3 MR. HETTEL: And I think, Josh, that's that  
4 situation we talked about where they want to open up  
5 pari-mutuel windows the night before. That won't  
6 take a vote.

7 MR. LAWS: From the Commission?

8 MR. HETTEL: Yeah.

9 MR. REYNOLDS: Are they just giving us  
10 information?

11 MR. HETTEL: Mike, why don't you tell us what  
12 is going on at Gold Cup, and then we will figure out  
13 what is going on at Gold Cup.

14 MR. PEARSON: Gold Cup, in conjunction with  
15 Virginia Thoroughbred Association, is gonna host an  
16 event at the race course Friday evening. At that  
17 time, Gold Cup would like to open some machines for a  
18 test run, and just a general preparation for the  
19 following day's races, and those folks that are at  
20 the event would be able to place wagers on the Gold  
21 Cup card only for the next day.

22 Gold Cup has taken every step that it can to  
23 avoid problems with the system, and a test run would  
24 be really helpful.

25 MR. LAWS: Will the test run be taking money

1 from the public?

2 MR. PEARSON: From the people at the event.

3 MR. LAWS: I think the Commission should vote  
4 on it, but we're gonna have a meeting shortly,  
5 hopefully within two weeks. Will that approval still  
6 be -- if we give you approval within two weeks, will  
7 that give you enough time to set everything up?

8 MR. PEARSON: Yes.

9 MR. LAWS: Then we should wait.

10 MR. PEARSON: Really, the thrust of it is to  
11 provide the best service to the public possible.

12 MR. LAWS: Okay. Sorry about that. We'll get  
13 to it as fast as we can.

14 MR. REYNOLDS: It's advanced wagering for the  
15 next day?

16 MR. PEARSON: Yeah. Just for the next day.

17 MR. HETTEL: That's the first Saturday in May?

18 MR. PEARSON: The first Saturday in May.

19 MR. HETTEL: Traditionally, that'll be what?  
20 The 89th?

21 MR. PEARSON: I'm unsure of the number.

22 MR. HETTEL: You were there for the first one.  
23 You were just a little boy, but you were there.

24 MR. PEARSON: I'm not a historian.

25 MR. HETTEL: Really?

1 MR. PEARSON: Yes.

2 MR. HETTEL: The other one is an actionable  
3 item. Colonial Downs's request to offer pari-mutuel  
4 wagering for the Dogwood. We need a quorum to vote  
5 for that one. Other than that one -- we have a car  
6 pulling up in the parking lot.

7 MR. PETRAMALO: Can we go back to the Gold Cup?  
8 Will there be pari-mutuel wagering on simulcast from  
9 the Kentucky Derby that day?

10 MR. PEARSON: That won't start until 2015.

11 MR. PETRAMALO: So the effective date of it is  
12 July?

13 MR. PEARSON: July.

14 MR. PETRAMALO: Okay.

15 MR. PEARSON: Again, Gold Cup focuses on good  
16 service, and we've got to have the drill down before  
17 they add that.

18 MR. PETRAMALO: What are the, just as a matter  
19 of information, realizing we can't vote, what are the  
20 administrative regulations that you're -- this is the  
21 stuff that --

22 MR. HETTEL: Just general discussion. Dave,  
23 tell them about the administration regs pertinent to  
24 the Virginia Breeders fund.

25 MR. LERMOND: Basically, one of the first



1           conversations Debbie Easter and I had when she took  
2           over the VTA was I asked her if she wouldn't mind  
3           going through the chapter on the Breeders Fund and  
4           basically just giving her expertise, you know.

5           A prior employee, I just figured it would be a  
6           good idea to go through that chapter and make sure  
7           that what the VTA is doing is actually what it says  
8           they should be doing.

9           I don't think there's any substantive changes,  
10          other than just housekeeping, basically, and Debbie  
11          was gonna go ahead and go through and explain each  
12          one for the Commission, had we had a quorum.

13          MR. PETRAMALO: I see. So it's just a matter  
14          of making housekeeping changes to Chapter 130?

15          MR. LERMOND: The way I would characterize it.  
16          Debbie can correct me, if I'm wrong.

17          MR. HETTEL: Debbie, why don't we just have a  
18          warm-up in preparation for the next meeting, and that  
19          way, there'll be no surprises.

20          MS. EASTER: And my question to you all -- It's  
21          Debbie Easter, for those of you on the phone, VTA.  
22          My question would be, while we're sitting around here  
23          waiting, do we go through them and you all vote the  
24          next time? Because most of it is just, went through  
25          and looked at what we were doing, and some of the old

1           regs should have been changed before, and I'm glad to  
2           go through it. It's whatever you all would like to  
3           do.

4                   MR. HETTEL:   why don't we, while we're waiting,  
5           it'll fill the time while we're waiting on Mr. Ross,  
6           and then at the next meeting, you can speak to the  
7           approval process.

8                   MS. EASTER:   All right. As Dave said, I just  
9           went through regs and just looked at them. For those  
10          of you that didn't know, I used to work at the Jockey  
11          Club in the registration department, so I'm familiar  
12          with what the Jockey Club does, and I just thought  
13          the regs should actually mirror how we work in the  
14          VTA, or else we needed to change our procedures.

15                   So one of the first changes we've made on Page  
16          Two of your -- for those of you that have the  
17          handout, we changed the Virginia Thoroughbred horse  
18          breeder, which is the person that owns the mare at  
19          the time that she foals. The breeder listed on the  
20          Virginia-bred certificate needs to agree with the  
21          breeder that's listed on the Jockey Club certificate.

22                   To me, the Jockey Club is the industry standard.  
23          They are the registry. They have a lot of procedures  
24          in place that, you know, if there's any disputes on  
25          breeder, they go through that all with the Jockey

1 Club, so why do we have to reinvent the wheel? Let's  
2 just make sure they agree. And most of the time when  
3 we get a Virginia-bred certificate that doesn't agree  
4 with the Jockey Club, it's more people list Mr. and  
5 Mrs. with the Jockey Club and then forget and just  
6 list Mr.

7 So it's very easy to clear up, but to me, there  
8 shouldn't be two breeders, any difference between the  
9 two breeders, so that's the one thing we added to the  
10 regs there.

11 If you go to Part Two under Number -- what was  
12 Number Five? We struck Number Five: Stallion owner  
13 or breeder will have 25 days after closing of race  
14 meet to register his horse to be eligible for an  
15 award.

16 That was currently not how the VTA was running  
17 things. If you had not registered your horse and you  
18 won an award, you were not eligible for that award.  
19 Subsequently, if you registered him afterwards, you  
20 would be eligible for those awards down the road.

21 I don't think we, number one, we weren't working  
22 this way. Number two, I'm not sure it's a great reg  
23 to have in there, because we take away the incentive  
24 for anybody to register horses, and that's what we  
25 want them to do. I don't think that the fees that we

1 charge is any hardship on anybody to register their  
2 horse ahead of time. It's \$25 if you start straight  
3 from the get-go.

4 All the other strikes, just so you know, with the  
5 numbers, are just renumbering, so that's what's going  
6 on there.

7 Next, if you go to the next page under Stallion  
8 Registration, we were requiring under Number Three  
9 and Four for people to send in notarized copies of  
10 the stallion foal certificates, and under leases and  
11 reports of mares bred, the Jockey Club requires all  
12 that.

13 In order for a foal to be registered, you have  
14 to -- the folks that own stallions have to have  
15 reports of mares bred. The papers never get issued  
16 if the service certificate is never issued by the  
17 stallion folks, so I didn't see any reason for us to  
18 have to duplicate that.

19 I think the intent should be let's encourage  
20 people to register horses as Virginia-breds. So it  
21 just seemed like if the papers are issued, then we  
22 ought to be able to issue a Virginia-bred  
23 certificate, so that's why we scratched all that. No  
24 use making people repeat the same process.

25 Under foal registration, same thing with Number

1 Three, which was the lease; making people send in a  
2 lease of a mare. I don't think we had been requiring  
3 that or we weren't very efficient about collecting  
4 that, but once again, the Jockey Club requires all  
5 that information.

6 A foal's not gonna get registered without all  
7 that information. Once a foal is registered, then it  
8 ought to be eligible for Virginia-bred.

9 Number Four was something that should have been  
10 taken out when we changed the regulations that  
11 required just a Virginia-bred foal to be just dropped  
12 in the state of Virginia, and we didn't -- there were  
13 no residency rules, so that should have been taken  
14 out prior to me going over this.

15 Other than that, unless there are any questions,  
16 it was just a clean-up of the regs, and I'd be glad  
17 to entertain any questions.

18 MR. HETTEL: Frank, you got any --

19 MR. PETRAMALO: No. I understand.

20 MR. HETTEL: -- problem with that at all?

21 MR. PETRAMALO: No. I don't have any problems  
22 at all.

23 MR. HETTEL: Just housekeeping.

24 MS. EASTER: All right. Thank you all.

25 MR. HETTEL: Thank you.

1 MR. REYNOLDS: Any questions from the  
2 commissioners? Carol? DG? Are you all still here?

3 MS. DAWSON: We're here.

4 MR. REYNOLDS: DG?

5 MR. VAN CLIEF: Yes. Thank you. No questions  
6 here. All that strikes me as pretty much common  
7 sense.

8 MS. DAWSON: Thank you, too. That's --

9 MS. EASTER: I forgot to tell you about one  
10 other thing. We had -- procedure-wise, we're not  
11 gonna issue a Virginia-bred certificate until the  
12 Jockey Club certificate has been issued.

13 To me, a Thoroughbred foal is not a foal until  
14 the Jockey Club issues a certificate, so why do we  
15 want a Virginia-bred certificate to be out there  
16 until it's a registered horse? So that's the only  
17 other procedural change you'll see that we might not  
18 have been sticking to before. Thank you.

19 MR. REYNOLDS: All right. Thank you.

20 MR. HETTEL: Well, the report would be the  
21 beginning of the 2014 Thoroughbred days. I think we  
22 probably ought to wait for the person from the HBPA  
23 to arrive.

24 MR. PETRAMALO: There are other committee  
25 reports besides that?

1 MR. HETTEL: No, sir.

2 MR. REYNOLDS: I don't think any committees  
3 have met.

4 MR. PETRAMALO: Oh, DG is on the phone. One of  
5 the things that we might be talking about is when we  
6 can reschedule or reactivate the Blue Ribbon  
7 committee to get moving on that.

8 MR. REYNOLDS: Absolutely.

9 MR. PETRAMALO: I can't remember how we left  
10 off in terms of future meetings, but it seems that we  
11 ought to try.

12 MR. VAN CLIEF: Frank, if I heard that  
13 correctly -- this is DG.

14 MR. PETRAMALO: Yes.

15 MR. VAN CLIEF: To respond to that, it has been  
16 a while. I would very much like to reactivate that  
17 committee. I think we had gotten to a point where we  
18 had an agreement on our situation analysis.

19 We had suggested some possible courses of action  
20 to enhance our position as an industry going forward,  
21 and we had just gotten to the point where we were  
22 beginning to talk about additional assets in the way  
23 of either information or people whose skill sets and  
24 experience we might want to add to the committee as  
25 we move forward, and that's as far as we had taken

1           it.

2           Obviously, I think we've got a bit of a hiatus  
3 while we work, hopefully, to a positive resolution on  
4 the 2014 dates issue, and it would be my personal  
5 hope that we'll get there and that that will allow us  
6 to get the parties or the stakeholders back to the  
7 planning committee, where I think we can, hopefully,  
8 if we can get a deal for this year, that will give us  
9 time to move ahead. What I'm wanting to do is in  
10 terms of getting our stakeholders back in the  
11 committee session and look for a multi-year plan we  
12 could adopt.

13           That's where I see us going. We're obviously  
14 losing time, and I'm frankly not sure that we're  
15 gonna be able to have a product to offer the  
16 Commission and industry as I'd hoped, but in a  
17 nutshell, that's where I think we are.

18           MR. PETRAMALO: Well, let me suggest this. It  
19 might make sense for those of us who have been  
20 participating to maybe send you a list of individuals  
21 who we think might add to the discussion. We don't  
22 necessarily have to be made formally members of the  
23 committee, but it might be useful, for example, for  
24 me to say I think it would be helpful to hear from  
25 the following three owners and the following three



1           trainers. Something of that sort, so we can at least  
2           get going in terms of identifying people. We could  
3           do that by e-mail or conference call, if you'd like.

4                   MR. VAN CLIEF: I think that's a great  
5           suggestion, and I'd certainly welcome those kinds of  
6           suggestions from any members of our committee.

7                   In fact, Bernie, if you would, would you get the  
8           word out to committee members that we would like them  
9           to think about who we might add, and as Frank  
10          suggests, I don't think we have to do it on a  
11          permanent basis. You want to keep the committee  
12          manageable --

13                   MR. PETRAMALO: Right.

14                   MR. VAN CLIEF: -- but I think on an ad hoc  
15          basis, we're gonna want to reach out to a number of  
16          different skill sets and experience bases.

17                   So I'd love to hear, Frank, any suggestions  
18          you've got, and furthermore, I'd like to hear from  
19          our other stakeholders on the committee as well who  
20          they think might help us as we move ahead. Thanks.

21                   MR. PETRAMALO: Fine. I'll do that.

22                   MR. HETTEL: Might want to start figuring out a  
23          date for that, too. I know you've got some travel  
24          plans coming up.

25                   MR. PETRAMALO: Yes.

1           MR. HETTEL: But I think the quicker we have  
2 that Blue Ribbon meeting, the better.

3           MR. PETRAMALO: Yes.

4           MR. HETTEL: With the difficulty we have for  
5 2014, that may help satisfy some of the issues and  
6 road blocks we've experienced.

7           MR. VAN CLIEF: That'd be great. Bernie, too,  
8 if you want to start looking for a date, let's do  
9 that.

10          MR. HETTEL: Okay. I'll notice everybody to  
11 give me a list of available dates or non-availables,  
12 and we'll go from there. I'll put that together  
13 starting this afternoon.

14          MR. VAN CLIEF: Thank you.

15          MR. HETTEL: Yes, sir. Okay. Got any idea?  
16 Anybody pulled in the parking lot?

17          MR. TROUT: Mr. Chairman, a little bit of a  
18 break here. I'd like to introduce somebody who is in  
19 the audience back here.

20          MR. REYNOLDS: Absolutely.

21          MR. TROUT: Rodney Hathaway is the county  
22 administrator for New Kent County, and the county  
23 obviously has a great interest in having a good,  
24 operational track with a lot of horse racing and  
25 everything else going on.

1           In the county, this is a major facility in the  
2 county, maybe the major facility, and I'm glad that  
3 Mr. Hathaway was able to come with us today.

4           I'm not gonna make him make a speech, but if  
5 anybody wants to talk to him afterwards or look for  
6 somebody for a good committee, either Rodney or  
7 somebody else on his staff might be the ones to be  
8 involved in that to represent some of the county's  
9 positions.

10           There are a lot of other facets here, tourism  
11 facets here in the county, including free wineries  
12 now and four golf courses and other places that would  
13 attract visitors, and if they could be tied in to  
14 somebody going to the track and going to a wine  
15 tasting or whatever it might be, that would help to  
16 boost the attendance at all places, including New  
17 Kent County.

18           Rodney, I'm really glad you had the opportunity  
19 to come here today. Beautiful day. He couldn't  
20 leave the county because the weather is bad. Thank  
21 you, Rodney.

22           MR. HETTEL: Maybe we could include wine  
23 tasting in the Commission meetings.

24           MR. TROUT: I think we need that. Yes.

25           MR. PETRAMALO: You know, one year, if I'm not

1 mistaken, we had some kind of wine tasting or wine  
2 festival. Maybe it was on Virginia Day at the  
3 racetrack, but that was before we had the three local  
4 vineyards. It might be interesting to see whether we  
5 could gin up some interest from the vineyards to get  
6 them to sponsor a race or something like that.

7 MR. TROUT: What you might want to look into as  
8 well is having -- to do a lot pairings, food pairings  
9 with various types of wines that the various  
10 vineyards like to put on.

11 MR. PETRAMALO: Yes.

12 MR. TROUT: To have that combined at one of the  
13 race meets or several of them during the year, I  
14 think would be a real plus to bring in more people.  
15 One thing it's all about. Thank you.

16 MR. REYNOLDS: Mr. Hathaway, thank you for  
17 coming today.

18 MR. PETRAMALO: Maybe we ought to take the  
19 opportunity to have everyone introduce themselves.

20 (Laughter)

21 well, wait a second. We were here on  
22 December 15th. No, it wasn't the 15th, it was in  
23 December to talk about race days. One of the issues  
24 that we raised was the need to have an extended meet;  
25 more weeks to have opportunities for owners and

1           trainers to race.

2           we did not bring a lot of people at that point to  
3           substantiate or to expand upon the presentation that  
4           Stephanie and I made.

5           So today, because I knew we were gonna talk about  
6           it, Stephanie and a number of our board members like  
7           Donna Dennehy invited a number of owners and  
8           trainers; that's who all these people are today. We  
9           don't normally get this many people. So it might be  
10          useful for everybody just to say who they are and  
11          what they do.

12          MR. REYNOLDS: That'd be fine. Let's do it.

13          MR. PETRAMALO: Start in back.

14          MR. REYNOLDS: I'm sure we'll hear from them a  
15          little bit later.

16          MR. HETTEL: Nobody wants to be first.

17          MR. WHITE: I'll be first. I'm John White.  
18          I'm an owner-breeder and I'm from Roanoke, Virginia.

19          MR. REYNOLDS: Okay. Thank you, John.

20          MR. HETTEL: Anybody else want to acknowledge  
21          their presence? Yes, ma'am.

22          MS. MCKENNEY: My name is Jessica Mckenney.  
23          I'm a trainer, pony person. Little bit of  
24          everything.

25          MR. REYNOLDS: welcome.

1 MR. STEVE CROCKER: I'm Steve Crocker. I'm a  
2 horse owner.

3 MS. CROCKER: Liz Crocker, interested wife.

4 MR. CHRIS CROCKER: Chris Crocker, local horse  
5 trainer, and I worked on the front side, as well as  
6 train horses back here since the day the track  
7 opened.

8 DR. NEICE: Lyndsey Neice. I'm a veterinarian.

9 DR. DANIELS: Doug Daniels. I'm an owner and  
10 breeder and veterinarian for Richmond.

11 MS. COREY: Mary Sue Corey from Mechanicsville  
12 right here. Trainer.

13 MR. KUHN: I'm Chris Kuhn. I'm an owner and  
14 also a New Kent resident.

15 MR. G. GREGORY: George Gregory. I'm a trainer  
16 and an owner and a New Kent resident.

17 MR. E. GREGORY: I'm Ed Gregory, also an owner  
18 and also a resident of New Kent County.

19 MS. BURBRAGE: Wendy Burbrage. I'm a new owner  
20 and new to the game.

21 MS. TUCKER: I'm Anne Tucker. I'm a breeder  
22 and owner, a seasoned box holder, and an advocate for  
23 Thoroughbred aftercare, and I'm from Rockville.

24 MR. TUCKER: John Tucker. I do everything she  
25 says we do.

1 MS. CLEMENT: I'm Brooke Clement. I'm an  
2 owner, trainer, rider and from Goochland County.

3 MR. CLEMENT: Roland Clement. Owner and  
4 trainer, Goochland.

5 MR. GUNN: Kevin Gunn. I was here for an  
6 appeal hearing.

7 MR. REMY: Jack Remy. I was here for an appeal  
8 hearing for Standardbred.

9 MS. ALVAREZ: I am Georgia Alvarez. I am the  
10 owner of Antonio's Pizza, the local go-to for all the  
11 jockeys and trainers, and I'm just here to voice my  
12 opinion on all of this.

13 MR. ALLEN: I'm Ed Allen. Just here to listen.

14 MR. CORUTHERS: I'm Jerry Coruthers. I'm a  
15 blacksmith here in New Kent County.

16 MS. CORUTHERS: Owner, trainer, Theresa  
17 Coruthers, and I also did your out-riding in the  
18 harness meet for eight years in New Kent.

19 MS. BOWLING: I'm Darlene Bowling. I'm an  
20 owner-breeder from Powhatan County.

21 MS. DENNEHY: Donna Dennehy. Owner, trainer,  
22 Eagle Point Farm, Ashland, Virginia.

23 MS. GODSEY: Karen Godsey, her daughter. Also  
24 manage Eagle Point Farm in Ashland, Virginia, and  
25 I've been training down here for the past nine years.

1 MS. BELCHER: Lyla Belcher, owner, trainer,  
2 wife of a jockey. wanted to be a breeder in  
3 Virginia, but didn't do it this year because of the  
4 way things have been going. South Carolina. Came  
5 from South Carolina up 95.

6 MR. EASTER: Doug Easter with Easter  
7 Associates. I've worked with the HBPA on their  
8 government relations for a number of years now.

9 MS. EASTER: Debbie Easter, VTA executive  
10 director, but also a owner and want to see everything  
11 go well.

12 MR. ALLEN: I'm Ferris Allen, trainer.

13 MS. COSLEY: I'm Catherine Cosley. I showed up  
14 on the race track five years ago as a spectator. I'm  
15 a local school teacher, now own two horses and have  
16 an interest, and I call Georgia.

17 MR. HATHAWAY: Hello. I'm Rodney Hathaway.  
18 I'm the administrator for New Kent County.

19 MR. WOOD: Darryl Wood. Director of marketing  
20 at Colonial Downs.

21 MR. KAY: Tom Kay. Director of OT operations  
22 for Colonial Downs.

23 MR. PICKLESIMER: Tyler Picklesimer. Just  
24 followed the traffic in this morning.

25 MR. GROOM: Evan Groom, director of food and



1 beverage for Colonial Downs.

2 MR. KELLEHER: Pat Kelleher. I'm director of  
3 security of live race operations.

4 MS. BOUZEK: Jeanna Bouzek. I'm vice president  
5 of operations for Colonial Downs.

6 MR. WINGROVE: Jeffrey Wingrove, director of  
7 simulcasting and mutuels.

8 MR. GERZAK: I'm Bob Gerzak, owner-breeder of  
9 -- been doing it about 13 years from Whitestone,  
10 Virginia. I'm here because Stephanie told me to  
11 come.

12 MR. REYNOLDS: Action Annie.

13 MS. NIXON: That's right.

14 MR. PETRAMALO: Thank you all very much for  
15 coming. We appreciate it, and you'll get an  
16 opportunity later on to talk a little more.

17 MR. REYNOLDS: Absolutely. I thought I saw a  
18 car just drive in.

19 MR. TROUT: Mr. Chairman, I might want to point  
20 out this is St. Patrick's Day, and I want to  
21 congratulate Frank Petramalo and the other people who  
22 have some green on today, too, but Frank has really  
23 done the job of taking the "O" off the back of his  
24 name and putting in on the front and came decorated  
25 for the occasion.

1           MR. PETRAMALO: I like to think that I'm  
2 Mediterranean Irish.

3           MR. GERZAK: Mr. Commissioner, I'm Bob Gerzak.  
4 I would like to comment. I'm sort of doing this, I  
5 guess other folks, too. What was the Blue Ribbon  
6 committee you were just referring to?

7           MR. PETRAMALO: Mr. Chairman.

8           MR. REYNOLDS: Well, in a nutshell, the Blue  
9 Ribbon committee was a group of the track, the  
10 horsemen, the VTA, and maybe a couple other  
11 interested parties to try to get together and come up  
12 with a good, long-term, strategic vision for Virginia  
13 horse racing, trying to figure out what the problems  
14 are now -- that's not too hard to figure out -- and  
15 how do we resolve those problems, and then how do we  
16 move Virginia racing forward.

17           we know nationally, the racing industry has been  
18 in severe decline, especially since the last  
19 recession. Overall, it has just been in decline, and  
20 we just need to get some smart folks together to  
21 figure what we're gonna do to try to survive this  
22 national decline in Virginia in particular, and see  
23 what we need to do to try to get together and put  
24 together a strategic vision.

25           we've had a couple of meetings. I think we made

1 pretty good progress, but obviously, we'll talk more  
2 about it later, but the big rub right now is racing  
3 days.

4 The track, on the one hand, is trying to make a  
5 profit, and they can be open to a certain amount of  
6 days, or want to be open a certain amount of days.  
7 The horsemen, obviously, need a matter of weeks, so  
8 if they're gonna come all the way down here and race  
9 their horses, obviously, they want enough opportunity  
10 to make it worth their while to come here.

11 So we're trying to get that issue resolved.  
12 That's the biggest one. Hopefully, we can get  
13 through that and get back with this Blue Ribbon  
14 committee and really put together a good game plan so  
15 that we can sustain and grow the industry.

16 MR. PETRAMALO: This is the second Blue Ribbon  
17 committee. The first one goes back to somewhere  
18 around 2000, 2001. You probably know better than I  
19 do.

20 when Colonial started running, first, we were  
21 running in the fall, and it was very tough because  
22 there was a lot of competition, so the Blue Ribbon  
23 committee was formed. It was broader than just the  
24 people from Colonial and the horsemen's organization.  
25 we had folks from other states, et cetera, and they

1 met several times and explored various options, and  
2 they came up with two recommendations that the  
3 horsemen and the racetrack agreed to implement, and  
4 quite successfully.

5 The first one was to move the meet from the fall  
6 to the summer, and in conjunction with that, the  
7 racetrack was able to work out a window during which  
8 Maryland horsemen would not run and we would here in  
9 colonial have the exclusive right to run. So that  
10 turned out to be quite good.

11 The other thing was that we wanted to have a  
12 certain quality of racing. We didn't want to just  
13 race for the sake of racing. The Blue Ribbon  
14 committee recommended that we use \$200,000 a day as  
15 the goal.

16 So we started out probably in 2003 following the  
17 Blue Ribbon committee, and at that time, we had about  
18 25 days of racing, and then over the years with the  
19 growth of the offtrack wagering, by 2008, we had  
20 expanded so that we had 35 days of racing, but again  
21 at \$200,000 a day.

22 The problem occurred in 2008, 2009 when the  
23 bottom fell out of the national economy, and of  
24 course that was reflected in the income in racing and  
25 from then, ever since then, we've been trying to, in

1 effect, reinvigorate racing and trying to figure out  
2 how to do it. That's the purpose of the second Blue  
3 Ribbon committee.

4 MR. GERZAK: Thank you, sir.

5 MR. REYNOLDS: Frank, I'm not so sure we  
6 shouldn't just start moving forward. I don't know  
7 where he is.

8 MR. PETRAMALO: Okay. Let's do it then.

9 MR. REYNOLDS: Unless you object. I mean it's  
10 twenty of eleven. He's an important part of it, I  
11 know.

12 MR. PETRAMALO: Normally -- don't repeat any of  
13 this. Normally, I would say who needs the president,  
14 but in this case, Sarge, the only reason I'm waiting  
15 for David is David was an integral part, along with  
16 Stephanie and myself, in all of the discussions that  
17 we had with the racetrack since the December meeting,  
18 both with the Secretary of Commerce and with the  
19 racetrack folks, as well as the mediator.

20 MR. REYNOLDS: I know he's been very involved.

21 MR. PETRAMALO: I hesitate to go forward  
22 without him.

23 MR. HETTEL: If we could do a follow-up call to  
24 see if he's in the general vicinity. If he's still  
25 half an hour away --

1 MR. PETRAMALO: Okay.

2 Note: There is a brief recess;  
3 thereafter, the meeting continues as follows:

4 MR. REYNOLDS: DG, you there?

5 MR. VAN CLIEF: Mr. Chairman, I'm here.

6 MR. REYNOLDS: Yes, sir. How about Carol?  
7 She'll be back. We have a quorum anyway. All right.

8 Welcome, Mr. Ross. We've gone through a lot of  
9 the agenda where it really didn't affect what most of  
10 us are here for today, so I don't think you missed  
11 anything in that regard. We wanted to wait for you,  
12 because this, obviously, is a very important meeting.

13 Before we get into comments from the horsemen and  
14 the track, I would open it up to Commissioners'  
15 comments at this point. I'll open with mine. I had  
16 about four pages of comments, but I think a lot of it  
17 is rehashing, obviously, what has already happened,  
18 so I'll just emphasize a couple of points.

19 Back in December, the Commission approved five  
20 weeks and 25 days, largely in the thinking that it's  
21 what the horsemen and the track agreed to without our  
22 help the year before.

23 We felt like that was a good compromise, and  
24 especially in the light that we had set up a Blue  
25 Ribbon committee to discuss dates and things going

1 forward in an effort to put together a strategic  
2 plan.

3 It is obvious that that didn't work for the  
4 horsemen. They obviously feel strongly to this day  
5 that five weeks just doesn't cut it. It doesn't give  
6 their horsemen and people who are coming all the way  
7 down here enough of an opportunity to run their  
8 horses. That's their position, and obviously, they  
9 feel very adamantly about it.

10 So what has happened now is that the Virginia  
11 Racing Commission has little authority or no  
12 authority to compel the track and the horsemen to  
13 enter into a new contract.

14 The contract expired at the end of the year, and  
15 therefore, with no contract, obviously, the OTBs, at  
16 least the Thoroughbred portions, have been shut down,  
17 for the most part, and that's very unfortunate.

18 I know the Commission, especially our executive  
19 secretary, has met with the horsemen and the track no  
20 less than 14 times. I know I've attended several  
21 meetings, so the Virginia Racing Commission is  
22 working hard and really, really wants to see these  
23 two groups come together.

24 I thought that maybe a couple of weeks ago that I  
25 heard that maybe the horsemen could consider seven

1 weeks, maybe the track could get up to six weeks, and  
2 I felt like there's a one-week gap there. Maybe we  
3 have something to work with.

4 So we asked the horsemen's group and the track to  
5 go to arbitration last week, thinking maybe one last  
6 push could get some sort of a compromise and get  
7 something done. That didn't seem to go very well,  
8 and it seems like now, we may be farther apart than  
9 we ever were, and I think that's a real shame.

10 The real shame is really for the Virginia racing  
11 fans. They are the ones that are not able to go to  
12 the OTBs and bet, place a dollar. I know we've lost  
13 several hundred dollars because the OTBs have shut  
14 down.

15 I understand why, and I'm not gonna sit here and  
16 blame anybody, but the fact is they're shut down.  
17 It's costing various groups hundreds of thousands of  
18 dollars at this point, and it's really hurting our  
19 racing fans, and quite honestly, we'll be lucky to  
20 get them back, and I hope we get them back once we  
21 resolve this issue, which I'm confident that we will.

22 Again, without the guy going and making the bet,  
23 we don't have a business, so we need to be thinking  
24 about that while we sit here and try to figure out  
25 what the outcome of this is gonna be.



1           So basically, those are my comments, and I'll  
2           turn it over to the rest of the commissioners for  
3           their comments.

4           DG, I know you might have a comment. I'm not  
5           sure.

6           MR. VAN CLIEF: I do. Mr. Chairman, if I could  
7           have a few minutes, I'd like to take this opportunity  
8           to, for lack of a better description, send up a trial  
9           balloon. Would that be okay? Could you give me  
10          maybe ten minutes?

11          MR. REYNOLDS: Yes.

12          MR. VAN CLIEF: Okay, and I would direct this  
13          through you as Chairman and my fellow commissioners.  
14          Obviously, as this is sort of a town hall meeting  
15          kind of format, I want to put it out there for our  
16          industry to think about.

17          As you've said, as a Commission, we have precious  
18          little authority to compel the operating partners in  
19          this business to enter a contract, but I think we  
20          have a very serious obligation as a Commission to our  
21          constituents, and I've been thinking about who that  
22          is.

23          I should point out that I think all of us  
24          probably on the Commission have received quite a lot  
25          of input from owners, breeders, trainers, the

1 racetrack operators and others associated with the  
2 industry over the last several weeks. I personally  
3 have had a ton of contact; almost all of it has been  
4 polite, constructive and thoughtful, and I really  
5 appreciate it.

6 I think as a Commission looking at our mission,  
7 not only to regulate but to sustain and grow our  
8 industry, we have a couple of essential constituents,  
9 and the ones in question today are obviously the  
10 track owner and operator, and also our owners and our  
11 racing stables and our breeders.

12 It's a bit difficult to try to come up with a  
13 solution, since the two seem to be logger heads at  
14 either end of the spectrum. But taking those two  
15 groups into consideration, I want to make a proposal.

16 The horsemen have made it clear, and I thought it  
17 was a rather compelling argument, that they need  
18 enough weeks, and they seem to have been clear  
19 throughout that it's weeks, not days, that are of  
20 concern to them.

21 A race being long enough to make it worth their  
22 while to move their operations to Colonial Downs, to  
23 establish stables there, and to have an opportunity  
24 to run their horses on enough occasions to see a  
25 return on the investment and expenses and capital

1 they are outlaying.

2 The track, on the other hand, has a legitimate  
3 position as well. They want to develop a better  
4 product and better racing. They'd like to move away  
5 from the status quo, and I'm very sympathetic there  
6 as well, and we've discussed it in our Blue Ribbon  
7 panel.

8 The one thing that I think we've all agreed on is  
9 that Virginia racing lacks brand strength, it lacks  
10 visibility, so we've got to do something about that  
11 if we're going to not only grow, but in my opinion,  
12 survive.

13 The racetrack wants to reduce costs, while giving  
14 itself a chance to build a better product and develop  
15 more revenue, and I think that's reasonable. So how  
16 do we split the difference here?

17 I think we all want to build growth into our  
18 industry, so I'm looking for a way to reestablish the  
19 partnership, which includes the track, the horsemen,  
20 the breeders and the state, and as we've heard a  
21 little earlier, our host county here at the race  
22 track, as well in New Kent.

23 So here is my trial balloon. I would like to  
24 propose for the consideration of my fellow  
25 Commissioners to see if they would approve this, if

1 the parties, in this case, the HBPA and Colonial  
2 Downs, might think it's something they can work with.

3 I'd like to propose a seven-week meeting, during  
4 the course of which, the track would run three days a  
5 week; Fridays, Saturdays and Sundays.

6 That obviously represents a departure from the  
7 previous status quo. It represents a pretty strong  
8 departure from the dates that we proposed and  
9 approved in December, but I believe it gives a long  
10 enough time to facilitate the horsemen, who want an  
11 opportunity to run their horses if they're in  
12 condition to run twice during the meet.

13 On the other hand, I'm hopeful that running three  
14 days out of seven does a couple things for our  
15 racetrack operator. Number one, running three out of  
16 seven days should provide some opportunity for them  
17 to go back and look at their operation and carve out  
18 some additional operating costs in the form of per  
19 diems or whatever it might be that they are bearing  
20 right now on a weekly basis.

21 I understand from talking with the track and from  
22 seeing the numbers that we've been given, that they  
23 are -- it's an expensive proposition, around \$20,000  
24 a day to run, and hopefully, this will provide a way  
25 they can reduce that, or provide a format in which

1 they can reduce that.

2 I'd like also for the track to have the  
3 opportunity and the flexibility to develop some  
4 higher-quality product, so I'm suggesting that within  
5 this seven-week format, that we look for a way to  
6 move away from the \$200,000 per day purse  
7 distribution formula that we've developed about a  
8 decade ago.

9 I'd like to see some flexibility there to provide  
10 an opportunity for some higher-quality racing, to  
11 develop some greater fan interest, and a more robust  
12 simulcast product for developing a fan base  
13 electronically.

14 So I'm suggesting that we look for a departure  
15 from our current purse formula in a way that provides  
16 an every-day product to give our local horsemen a  
17 chance to run as they're hoping for, but at the same  
18 time, some flexibility for our racetrack to develop  
19 some high-quality event days and stakes racing that  
20 will provide the opportunity to grow our fan base.

21 I think without it, if all we have is every-day  
22 racing, we're gonna be competing with racetracks  
23 around the country for simulcast customers and  
24 remote, electronically-developed customers, and if we  
25 don't have better product, we're gonna be in a tough

1 position.

2 The devil in these kinds of proposals, of course,  
3 is always in the details, so I would suggest that we  
4 seek out a racing official with a significant amount  
5 of experience; perhaps the former Director of Racing  
6 or racing secretary that we could bring in as a  
7 neutral party, suggesting that the HBPA, the Virginia  
8 Racing Commission and Colonial Downs share the cost  
9 of that kind of consultant, and ask that individual  
10 to come in and help us develop a racing program which  
11 serves the needs of both of our key constituencies.

12 I'm looking at that as a one-year transition. I  
13 think we need a deal now to allow us to move forward  
14 for one year, at which point, we would bring the  
15 constituents and our Blue Ribbon panel, as Stran  
16 discussed earlier today, back to the table, and  
17 hopefully, my dream would be that we would work out a  
18 three- to five-year program that might even  
19 facilitate a three- to five-year contract and would  
20 provide some stability for the business, provide some  
21 assurance that those who want to make an investment,  
22 whether it's in farms, training centers, horses or  
23 the racetrack could do so, and I think that that  
24 would provide us the beginnings of a strategic plan,  
25 certainly some time to put one together that we could

1 all have confidence in an buy into.

2 As Chairman Reynolds pointed out, the other  
3 option which is doing nothing and remaining in an  
4 impasse situation with our heels dug in is gonna cost  
5 us. If the numbers I've been given are correct,  
6 we've already left approximately \$500,000 in revenue  
7 on the table.

8 As I pointed out earlier, the visibility of  
9 Virginia racing on the national scene is virtually  
10 nonexistent. Our loss of customers during this  
11 period is very real, and I don't think we should  
12 under estimate the degree of difficulty if we go dark  
13 this year and getting ourselves restarted.

14 I don't think anybody really supports the status  
15 quo, so I would urge some consideration of this as at  
16 least a starting point for discussion of a real  
17 compromise. Hopefully, we can move forward quickly  
18 with this, and I put it to my fellow commissioners  
19 it's something they might consider approving, and I  
20 put it to the HBPA and Colonial Downs as something  
21 that they would look at as a format for compromise.  
22 Thank you, Mr. Chairman.

23 MR. REYNOLDS: Thank you, Mr. Vice Chairman.  
24 Stran, do you have any comments?

25 MR. TROUT: Yes, I do. This is similar to

1 discussions I've had with a number of people, some  
2 horse owners and some of the others. It appears to  
3 me it's the same thing that Mr. Van Clief mentioned,  
4 was that the track is looking at primarily the number  
5 of days and the cost of opening the track, and the  
6 horsemen are looking for the number of weeks, because  
7 you have to let the horse rest a certain time between  
8 races, and if you have a very short period, the horse  
9 may only get to run only once; a longer period, they  
10 get to run more times during the particular season.

11 The seven-week -- which is actually a little  
12 shorter than what I was looking at -- but the  
13 seven-week, three days a week comes out to 21 days,  
14 as compared to 25 last year, but it does give the  
15 number of weeks I think that would help the horsemen.

16 I hope we hear some comment on this, but it would  
17 also reduce the actual opening of the track, and the  
18 track in this case, if it's Friday, Saturday, Sunday  
19 racing, would be closed four days a week. So it  
20 would be a substantial consecutive days that it would  
21 be closed, rather than being closed every other day  
22 or doing something where you have problems with  
23 personnel.

24 So I think that this is a good compromise to get  
25 through this year, and also concur that we do need to



1 get together -- I think this Blue Ribbon commission  
2 is a good source of that -- to look into the future  
3 years and to look into something we can do to make  
4 sure we have an operation that's gonna continue going  
5 for a long time into the future.

6 There are some other things that can be done with  
7 this, too. I know the track talked about the idea of  
8 having a short season so they could have higher  
9 purses on particular -- on less days and make it work  
10 that way, and actually, that can still be done within  
11 this kind of framework.

12 There can be a number of days, however many,  
13 where there would be higher purses, more saleable  
14 signals and more interest by those who are really  
15 interested in high-end horses; we do that anyway.  
16 Virginia Derby, for instance, has higher purses and  
17 probably brings more interest from the outside of the  
18 track area as far as signal sales.

19 This could be a boutique race or a short-term  
20 race. The season could be set up within this same  
21 parameter, and it seems to me that you could do it at  
22 the same time. Those benefit the track, because it's  
23 less days that it would be open. It benefits the  
24 horsemen, because it would be more weeks, which would  
25 enable them to run the horses, and I'm sure we'll

1 hear plenty of comment on that, but it seems to me  
2 that that would work, and I congratulate Mr. Van  
3 Clief on his proposal.

4 MR. REYNOLDS: Thank you. Commissioner Dawson,  
5 do you have any comments or thoughts?

6 MS. DAWSON: Yes. I'd like to say that I  
7 appreciate Commissioner Van Clief's work in putting  
8 together this proposal; it sounds very attractive. I  
9 think there are a lot of good things about it. I'm  
10 particularly interested in making sure that our local  
11 horsemen have adequate number of racing days.

12 My preference would be to see the same sort of  
13 proposal extended to eight weeks, if possible. I  
14 realize that that's dependent upon the parties  
15 agreeing to that, but the other thing that I think is  
16 good about this proposal, it would permit some  
17 top-level racing to be integrated within the plan, at  
18 the same time allowing, as he calls it, the every-day  
19 racing to continue to support the native industry.

20 I have no idea whether something like this would  
21 be -- would meet the objectives of the two parties,  
22 but I do think that the Commission, as we've all  
23 expressed, has a responsibility to the Commonwealth  
24 of Virginia and its citizens to try to come up with  
25 long-range plans, and I think if we could get the

1 parties to agree to something along these lines and  
2 continue with the long-range planning, which I think  
3 is critical, because unless we have that, we might  
4 succeed for one year, but then after that, we'd be  
5 back to square one.

6           Anyway, in general, I would say that I would be  
7 supportive of this, you know, hopefully with some  
8 input, which might even see an individual extension  
9 of the seven weeks to eight weeks, and that's the  
10 extent of my comment at this time.

11           MR. REYNOLDS: Okay. Thank you, Commissioner.  
12 With that, I will turn it over to the horsemen to  
13 make all your comments.

14           MR. PETRAMALO: Can I have about three minutes  
15 to talk to my colleagues at the other end of the  
16 table?

17           MR. REYNOLDS: Yes.

18           MR. PETRAMALO: Jim, Ian, Dave, do you want to  
19 come with me?

20           NOTE: There is a private discussion held  
21 off the record; thereafter, the hearing continues  
22 as follows:

23           MR. HETTEL: Are you prepared to go forward?

24           MR. PETRAMALO: Yes, I am. I am indeed.

25           MR. HETTEL: We're back.

1           MR. PETRAMALO: Because we have a large group  
2 of people here that haven't been actively involved as  
3 some of you have, I'd like to take about five or ten  
4 minutes and just go through this.

5           when we last met on race day, it was December.  
6 The Commission said, basically, curse on both your  
7 houses. We were proposing eight weeks, 32 days;  
8 Colonial was four weeks, 12 days, and you said, you  
9 the Commission, said five weeks, 25, inviting us  
10 specifically to go sit down and see whether we could  
11 come up with an agreed-upon plan that we could take  
12 back to you.

13           well, for that purpose of going back and talking,  
14 we extended our contract three times through  
15 December 29th. Where we were at December 29th --  
16 excuse me. I didn't mean December. January 29th.

17           where we were on January 29th when we were at a  
18 stalemate, was we were discussing seven weeks, 28  
19 days. Colonial wanted \$300,000 from the horsemen to  
20 help with various overhead expenses; we offered a  
21 package of 150,000. So that was the difference. At  
22 that time, we couldn't resolve it, the contract  
23 expired, and by law, not our doing, by law, the OTBs  
24 had to shut down.

25           Now, that caused customer dissatisfaction, which

1 obviously, we certainly wanted to avoid, as so did  
2 the racetrack.

3 The Secretary of Commerce got involved.  
4 Secretary Maurice Jones, been on the job for less  
5 than two weeks, and here he is. He convened a  
6 meeting on Valentine's Day, February 14th. Trying to  
7 think. Everybody -- not sure whether Jim was on the  
8 conference or not. Were you?

9 MR. WEINBERG: I was.

10 MR. PETRAMALO: But David, Stephanie and myself  
11 and Jim and Ian and Bernie and Sarge. The upshot of  
12 that meeting -- we went through the whole history,  
13 and the upshot was we were talking about seven weeks,  
14 28 days, and Ian Stewart said he could only do seven  
15 weeks, 28 days if it was revenue-neutral and offered  
16 to make available financial records.

17 That's the way we left it with the secretary. He  
18 said fine, within the next 30 days, I will see what I  
19 can do to have you folks consider the feasibility of  
20 seven weeks, 28 days.

21 Subsequent to that February 14th meeting, the  
22 secretary followed up with separate meetings; first  
23 with Colonial and then with David, Stephanie and  
24 myself. I don't know what happened at the Colonial  
25 meeting, but I can tell you that when we left the

1 meeting on February 24th, I described for the  
2 secretary where we stood -- I think you were present,  
3 Bernie, at that meeting.

4 MR. HETTEL: I was.

5 MR. PETRAMALO: And the secretary said, well,  
6 it was seven weeks, 28 days, and I said we were apart  
7 150 versus 300,000. He says, fine, I understand.  
8 Let me make some phone calls. I'll get back to you.

9 well, what I assumed the secretary then did was  
10 to arrange the formal mediation that we had two weeks  
11 later with Judge Donnell.

12 We wrote a separate memorandum on our view of  
13 mediation and settlement prospects to Judge Donnell  
14 and Colonial did the same thing. Those were private.

15 For those of you who don't know what mediation  
16 is, it's not arbitration. Arbitration is kind of  
17 like a judicial proceeding where you have somebody  
18 who hears from both sides, makes a decision that's  
19 final and binding.

20 That's not what we did. We were in mediation.  
21 Mediation is where you have a professional come in,  
22 and the professional tries to broker an agreement.  
23 He'll listen to one side, then he'll listen to the  
24 other, and he or she will come up with suggestions.

25 That's what we did with Judge Donnell. We met

1 first all of us, and then we broke out separately.

2 In our separate meeting, we told the judge where  
3 we stood and that we were prepared to go further,  
4 that we had put together a package that we calculated  
5 would be \$280,000; about 20,000 of what Colonial was  
6 saying. In my way of thinking, that seemed to be a  
7 deal.

8 The mediator, as far as I know, never got around  
9 to being able to quote the \$280,000 figure, because  
10 we then met jointly together, and Colonial's response  
11 at that point was seven weeks is a non-starter.

12 That came off the table, and their proposal at  
13 that time was six days; not six weeks, six days,  
14 500,000, and the mediator figuratively threw up his  
15 hands and said you're too far apart. There's no  
16 sense in going any further with this. Let's end it.  
17 If you want to come back, you know my phone number.

18 Now, it was surprising to me, because in 35 years  
19 as a labor lawyer, I've been through a lot of  
20 mediations; this was the shortest one. Couldn't have  
21 lasted substantively more than 45 minutes.

22 But in any event, the conclusion that I came to,  
23 based on my experience over the last 12 or 13 years  
24 with Colonial Downs, is Colonial Downs didn't want to  
25 do a deal. This is not the first time that we've had

1 a dust-up or a disagreement. We've had many of them  
2 since I got involved in 2000, but in the end, we  
3 always sat down, everybody gave a little, and we came  
4 up with a deal.

5 This year, completely different story. Now, I  
6 have no idea what may or may not be motivating  
7 Colonial, because it makes no economic sense. We're  
8 both suffering. Now, it makes no sense to me  
9 whatsoever.

10 We're perfectly willing to work with them. We're  
11 willing to work within the proposal that Commissioner  
12 Van Clief made; seven weeks, 21 days. That's really  
13 not much different than seven weeks, 28 days. That's  
14 where we're prepared to go.

15 Now, I know that Colonial's response, in part, to  
16 our position has been to try and organize or prompt  
17 the organization of a rival horsemen's group. Again,  
18 this is no surprise to me.

19 Thirty-five years as a labor lawyer. Every time  
20 Management gets upset over Union demands, they try  
21 and set up their own in-house Union. Colonial's  
22 trying to do the same thing. I say fine. If they  
23 want to hold an election, let the horsemen vote, see  
24 if they want the HBPA, who has been here 17 years  
25 standing up for them, or the Colonial Caballeros, or



1           whatever you wanna call them. But you know, it's too  
2           bad that that's where we are, but I think that's it.

3           MR. REYNOLDS: Okay.

4           MR. PETRAMALO: I don't know what else to say.

5           MR. REYNOLDS: Okay. Let's call on Colonial  
6           Downs's group. Would you care to speak?

7           MR. STEWART: I have a couple thoughts for you.  
8           There's certainly a lot of misinformation about the  
9           negotiation between the HBPA and Colonial Downs.  
10          First piece of misinformation is that Colonial and  
11          HBPA were close to a deal of seven weeks of racing.  
12          This is simply not true.

13          Colonial Downs first proposed seven weeks as a  
14          compromise. As part of that proposal, Colonial Downs  
15          asked the HBPA to share \$300,000 in additional costs.  
16          The HBPA claims they offered \$150,000. Those dollars  
17          were illusionary.

18          Let's look at that offer. They offered to agree  
19          that Colonial Downs did not have to spend \$50,000 for  
20          cap ex on the back stretch in 2014. The reality  
21          is, Colonial Downs spends that money every year, just  
22          part of normal operations.

23          Virtually year in and year out since the  
24          construction of the track, Colonial Downs has spent  
25          at least \$50,000 for capital improvements on the back

1 stretch; therefore, the elimination of that  
2 requirement has to have value to us.

3 The other \$100,000 related to a potential new  
4 mini OTB. As with any new venture, it is speculative  
5 as to how it will turn out. You can just look at the  
6 history of the many OTBs we've opened. Many of them,  
7 several of them, have failed, really.

8 So at any rate, we were required to sign a  
9 three-year lease for the new OTB; the HBPA offered to  
10 help for one year. Our ability to collect \$100,000  
11 in cash to help pay for the meet required the OTB to  
12 be a success; otherwise, the cash would not be there.

13 When we asked the HBPA to guarantee the \$100,000  
14 in the event the new OTB did not generate it, the  
15 HBPA's response was of course not, and that is where  
16 the conversation ended.

17 So that \$150,000 offer was \$50,000 we have yet to  
18 spend anyway, which has no value, and the speculative  
19 \$100,000 to pay for the real cash cost of \$300,000 to  
20 pay for the meet.

21 Mr. Hettel attended all the meetings and  
22 participated in all the phone calls. So rather than  
23 put him on the spot, I suggest you ask him privately  
24 what transpired. Who was flexible and who wasn't.  
25 who brought ideas to the table and who didn't.

1           while we're speaking of misinformation, there's  
2           one other item I feel compelled to address. One of  
3           the advantages of longevity at something is you're  
4           very familiar with the history. One of the  
5           disadvantages is that you sometimes forget that  
6           everyone else is not as familiar as you are.

7           The HBPA has made much in it's discussions in  
8           what they call discounts in the OTBs. The reality is  
9           this. We recognize that there is an opportunity in  
10          the smaller markets to grow handle for the horsemen  
11          that are racing for the track, but we could not do it  
12          if we had to pay the statutory purse race.

13          So we went to the horsemen and said that we would  
14          put up the money to build the OTBs if they took less  
15          than the statutory minimum purse contribution.

16          They agreed, we invested approximately \$15  
17          million and built OTBs in Vinton, Martinsville, Scott  
18          County and Hull Street. The horsemen collected purse  
19          funds they would not otherwise have.

20          The statute required that the form of the deal be  
21          that we set aside the full five percent, and they  
22          write us a check back for our share, is what the HBPA  
23          refers to as a rebate, which by the way, they're a  
24          little delinquent on, but that's a matter for another  
25          day and another forum.

1           Let's be clear on one thing. This was a  
2 revenue-sharing agreement, a business deal. While it  
3 may be an example of flexibility, it is not an  
4 example of generosity or charity on the part of the  
5 horsemen.

6           So where do we find ourselves now? I believe the  
7 HBPA's boycott has cost the state, the localities,  
8 the track and the purse account well over a million  
9 dollars, as well as people's jobs in the OTBs. Now  
10 they're working to expand their boycott to EZ  
11 Horseplay, which is a breach of our existing  
12 revenue-sharing agreement with them, which will cost  
13 everyone even more money.

14           Colonial Downs's vision has always been to  
15 aspire to greatness. We want to make Virginia a  
16 national player in the racing industry. We talked  
17 about this numerous times. We want to focus on the  
18 big event days and bringing the best quality racing.  
19 We want to grow handle through account wagering at as  
20 many OTBs as possible.

21           I don't think any of this is news to anyone. I  
22 think a more pertinent question is what is the HBPA's  
23 vision for racing in Virginia. They've been given  
24 several opportunities to present this, and frankly,  
25 have always evaded the question. I hope that at some

1 point this morning, we get an answer to that  
2 question, because I think the Commission deserves  
3 that.

4 I think it's also important to understand who the  
5 HBPA is, and something about the horses they bring to  
6 the meet. The first thing to know is that the vast  
7 majority of the members are not from Virginia. Based  
8 upon the membership list we were given, 78 percent of  
9 the membership is from 37 other states. In fact, the  
10 state with the largest number of members is Maryland.

11 we understand it's important that people from  
12 other states come over and race at Colonial Downs,  
13 but think about this for one minute. What are the  
14 priorities for horsemen from other states vis-a-vis  
15 Virginia? Is their goal to build Virginia racing or  
16 to simply make it fit their needs? If their need is  
17 a place to race horses in \$5,000 claiming races, then  
18 the desire to improve racing in Virginia or aspire to  
19 greatness is probably lost on them.

20 what do the Maryland horsemen want for Virginia?  
21 Given that the casino at the National Harbor is about  
22 to generate a lot more cash from Maryland horses, it  
23 might be worth knowing whether they intend to expand  
24 Maryland race days into the summer, considering they  
25 comprise the largest group of Virginia HBPA members.

1           we talked a lot about the quality of racing at  
2 Colonial Downs. By combining the HBPA membership  
3 list with the encompassed database, we've come up  
4 with some interesting information.

5           If you look at the HBPA member trainers with  
6 Virginia addresses, you'll find they made 353 starts  
7 in 2013. Of those, 146 or 41 percent were in \$5,000  
8 claiming races, and another 17 percent were in \$7,500  
9 claiming races.

10          These are the lowest-end races we offer. In  
11 these races on average, they finished 5.6. Given our  
12 average field size is 8.8, they generally finish the  
13 bottom third of the field. If you look at the stakes  
14 races, they made 20 starts. The highlight, of  
15 course, was Stephanie Nixon's horse winning, Punch  
16 Line. However, including that win, the average  
17 finish was 6.4.

18          Some other interesting things to note were the  
19 Virginia trainers raced on five free rolls and the  
20 oldest horse to race was 12. One horse ran five  
21 times in five weeks. A number of others ran four  
22 times, including a ten-year-old and two  
23 nine-year-olds.

24          while the HBPA has not articulated their vision,  
25 one can deduce they want to expand the opportunity of

1 these horses to run. This seems to be their sole  
2 goal, at least the only one articulated; a couple  
3 more starts for these horses that run these low  
4 races.

5 This is where our visions diverge. We cannot  
6 build a meet around horses that are having trouble  
7 competing in \$5,000 claiming races and expect to be  
8 successful.

9 why is our out-of-state handle down? It is  
10 because our product is not very good. So where do we  
11 go from here?

12 It is clear that Colonial Downs and the HBPA have  
13 significantly different visions for racing in  
14 Virginia, and I do not believe the two can be  
15 reconciled.

16 Our vision is greatness. We want to elevate  
17 Virginia racing to national prominence. That can  
18 only be done by raising the purses so that the track  
19 can be a major industry player. That does not mean  
20 that there will not be opportunities for Virginia  
21 horses and horsemen; however, it does mean that the  
22 focus will be on high-end racing with some low-end  
23 racing, rather than the current focus on low-end  
24 racing with a little bit of high-end racing.

25 I think it would only be natural to ask at this

1 point why not just patch it up for a year and take  
2 the time to reconcile the competing visions.

3 As much, as much as I would like to say yes to  
4 that, I cannot in good conscience do so. The HBPA  
5 has made it clear what will happen if they do not get  
6 what they want, and horse racing in Virginia is \$1  
7 million worse off in the county as a result.

8 The HBPA has ignored the VRC and tried to muscle  
9 the track to get their way, without success. Now  
10 they feel like they've been unfairly treated. I  
11 cannot help but find it extremely ironic that the  
12 HBPA and its members are here today, presumably to  
13 ask the VRC to take some type of action against  
14 Colonial Downs, when the HBPA has boycotted the VRC's  
15 race day order and clearly believes the VRC has no  
16 jurisdiction over it.

17 One other question I hope someone will ask the  
18 HBPA today, is exactly what authority they believe  
19 the VRC has over them. Clearly, they believe the VRC  
20 has no authority to determine race dates, so what was  
21 the awarding of race dates by the VRC; merely a  
22 meaningless bureaucratic exercise?

23 we all heard many times that the goal is to  
24 promote, sustain and grow Virginia racing. What does  
25 it mean to promote Virginia racing? Is that just



1 another freak t-shirt day, or is it building a  
2 recognizable national brand with sustainability?

3 which brings us to sustain. Given that it takes  
4 money to be in this industry, that almost forces it  
5 to be a financial constant. There are only two  
6 financially sustainable models for racing. One is  
7 the high-end boutique meet, and the other is  
8 alternative gaming. We know alternative gaming is not  
9 available, so that leaves the boutique meet.

10 Finally, there is growth. Nothing can grow on a  
11 long-term basis without a stable base. I think  
12 several years ago, the concept of artificially  
13 growing days for its own sake was recognized as a  
14 mistake. Without a solid base, no permanent growth  
15 is possible.

16 Finally, while we are all familiar with the  
17 promote, sustain and grow, I refer you to the second  
18 clause of the VRC mission statement, that states that  
19 this is to be done by prescribing regulations and  
20 conditions that command and promote excellence in  
21 racing.

22 This is quite a bit different from having the  
23 goal being getting one more start for a horse that's  
24 having trouble finding a place to run.

25 Our vision is excellence in racing, and it

1 dovetails exactly with the intent of the statute and  
2 the mission of the VRC. We are looking for a partner  
3 to raise the quality of racing in Virginia and to  
4 aspire to greatness. We believe those horsemen are  
5 out there, and we invite them to join with us to move  
6 Virginia racing to where it deserves to be on a  
7 national stage.

8 MR. PETRAMALO: One point. You didn't answer  
9 the question that DG Van Clief put to us; that is,  
10 are you willing to consider or discuss this issue of  
11 seven weeks, 21 days? I said we were. You didn't  
12 answer the question. What's your answer?

13 MR. STUART: We're always willing to talk.

14 MR. PETRAMALO: Take that as a no.

15 MR. REYNOLDS: We're gonna talk. We will talk,  
16 but right now, I want to give guests, the public, an  
17 opportunity to come and speak. If you would, please,  
18 Mr. Ross, would you like to go?

19 MR. ROSS: Let me start, if I could, and then I  
20 guess people can line up behind me.

21 MR. PETRAMALO: Sure.

22 MR. ROSS: Thank you guys very much, and I  
23 apologize for being late. I will keep my remarks  
24 brief.

25 I think Mr. Van Clief's comments were very

1           heartfelt and well-taken. I appreciate the input  
2           from the Commission. I think it has been very good,  
3           but I do think it's extremely important that you  
4           understand a couple of things from a horseman's  
5           perspective.

6           First and foremost, having an opportunity to run  
7           horses more than once is important, not just to do  
8           it. There is a cost involved in operating a horse  
9           business, and there's a cost involved in running  
10          horses. For the cost, it generally runs between  
11          \$2,500 and \$3,000-plus a month. So as an owner, it's  
12          important that you have a venue that provides an  
13          opportunity to run the horse at least more than once.

14          what DG has discussed would do that; that's very  
15          important. It will help defray the cost and justify  
16          the opportunity to bring the horses here.

17          One of the things that we've really strived for  
18          is to bring the horsemen from Florida up here and  
19          catch them on their way up so that we could populate  
20          the barns back here in the back stretch and give  
21          yourselves a lot of horses to run races in.

22          Those betting interests really are the issue  
23          about whether or not an operation can be successful,  
24          because the more horses that are in the field, the  
25          more the public is generally willing to bet, because

1 the odds will be a little better.

2 One of the things that, looking at the big  
3 picture, the Commission, I know, is very focused on  
4 trying to understand the big picture going forward.  
5 It's important to understand how we can grow revenue  
6 within our industry. The revenue that grows here, it  
7 comes from the track handle, it comes from the  
8 satellite wagering facilities, and it comes from  
9 internet wagering.

10 Our group as the Virginia horsemen has really  
11 been very creative in finding ways to -- contrary to  
12 Mr. Stewart's belief -- contribute back to the track  
13 and prop up those shortfalls that occur year after  
14 year, and the reason why they occur is because there  
15 aren't casinos or other alternative betting that goes  
16 on in the Commonwealth that generates revenue for  
17 this purpose, so it's incumbent on us to do that.

18 That being said, our goal is to try to provide a  
19 foundation, a base. That base allows Colonial to  
20 sustain its operations. But our real goal is to try  
21 to generate additional revenue. The way that can be  
22 done is by growing our satellite wagering facilities,  
23 but more importantly, perhaps, the internet wagering  
24 business.

25 By doing that, we believe that Northern Virginia

1 is a very good market to do that in. We have been  
2 consulting and working very hard to try to find an  
3 outside consultant to do that, to assist us.

4 The important thing with this is that we believe  
5 that's a good investment to make. We believe that  
6 over a number of years, to the extent we can generate  
7 additional revenue, the track's gonna benefit, the  
8 ownership of the track, and we even think as we grow  
9 revenue, there will be opportunities, provided we can  
10 get a partner that wants to invest in this  
11 opportunity to disproportionately reward the track as  
12 we go forward and grow additional revenue.

13 It gives us the opportunity to run a race meet,  
14 hopefully with high quality and all of the like. It  
15 gives us the opportunity to do that over a period of  
16 time that makes sense, and more importantly, it  
17 encourages the track, hopefully, to invest along with  
18 us, so that it can reap benefits as we all grow to be  
19 successful.

20 Now, one of the things that's been very, very  
21 concerning here has been over the past three years.  
22 The definition of revenue growth that has come from  
23 this facility, this track, this operator, has been  
24 how do we cut costs. Well, guess what, folks? We're  
25 out of cost-cutting measures. The only way to cut

1 costs now is let's not run. Save money. That's  
2 what's going on. We need the Commission to stand  
3 behind a program. We will be flexible; we've  
4 demonstrated that. There is expertise within the  
5 Commission and across the country that can show the  
6 Commission in great detail what goes on in other  
7 venues, and you will see the creativity that has been  
8 generated by this group. We're flexible. We're  
9 willing to cooperate. We want this to work. It has  
10 to work for horsemen though, so that they can run the  
11 horses appropriately. Thank you very much.

12 MR. REYNOLDS: Thank you.

13 MR. PETRAMALO: Let me ask -- Ferris, do you  
14 want to say something about your views on the length  
15 of the meet and what's appropriate?

16 MR. HETTEL: Come forward for us, if you would.

17 MR. ALLEN: I'm Ferris Allen, trainer. I  
18 suppose that the biggest point that I would make,  
19 that I'm quite a bit in agreement with Mr. Stewart  
20 about the boutique meet that we've been talking  
21 about.

22 My opinion is that eight weeks, three days a  
23 week, 24 days is in fact that meet. There are a lot  
24 of examples around the country of places that have  
25 tried to downsize and do things that work, making

1 less into more, and we would all like to be  
2 Keeneland, we would all like to be Saratoga, but we  
3 don't have the revenue or the position in the market  
4 to do that sort of thing. So that leaves us with a  
5 number of examples to go on that may be more similar  
6 to us. I'll cite four of them.

7 There's the Timonium state fair, which runs eight  
8 days around the race meet. There's Kentucky Downs,  
9 that runs a few days with a lot of purses that nobody  
10 visits, and there's Atlantic City that runs a few  
11 days every year, an entirely grass meet so that they  
12 can have simulcast revenue.

13 If you look at those three situations, I believe  
14 that you would see that they all exist for very  
15 different reasons, other than the excellence of  
16 racing, or other than to do good things for racing.  
17 I won't go in to those. I won't disparage those  
18 places; they are what they are.

19 There's a fourth situation that I think bears  
20 looking at by this Commission, and that's the  
21 Monmouth Park situation. Monmouth Park has a very  
22 unique situation in that they lost their state  
23 funding a number of years ago, and the horsemen run  
24 that meet.

25 what they decided to do was to run weekends so

1 they could have a resident horse population for  
2 basically people who are used to being stabled at  
3 Monmouth Park. They could keep that going. They  
4 reduced their number of racing days. They basically  
5 kept their stakes program, which includes the  
6 Haskell, which is one of the best three-year-old  
7 races in the country.

8 A number of other states have got quite an  
9 expansive stakes program, and they cut out weekday  
10 racing, and the horsemen that are the resident  
11 population get to run their horses. The guys that  
12 have better horses still ship north to Monmouth Park,  
13 ship over from Belmont Park to run their horses, and  
14 it's a situation that fits that niche in the market.

15 Our niche down here means that we have to  
16 cooperate with the tracks that are in this area.  
17 We've got Delaware, Maryland, two tracks in  
18 Pennsylvania, two tracks in West Virginia, and  
19 Monmouth Park in New Jersey. We also have the  
20 situation in Florida to contend with, which is right  
21 now Gulf Stream and Calder running against each other  
22 all year long. Okay.

23 Now, there are a couple of things that have  
24 changed just in the last year about that. One is  
25 it's very difficult for us now to get horses out of



1 Florida, because they have year-round racing at two  
2 tracks, plus they have Tampa Bay, so a little more  
3 difficult there.

4 Our best races, the Virginia Derby being a  
5 hallmark one, have been cannibalized in the last  
6 month, because Belmont Park has put up a race against  
7 it. So we won't get the first tier of horses this  
8 year, no matter how much money we give up.

9 So what we have to do is find a window to fit  
10 inside of what's going on around the rest of the  
11 country, and to me, the best window for that is eight  
12 weeks, three days a week, 24 days. That's all I got  
13 to say.

14 MR. PETRAMALO: Bob Gerzak is an owner that  
15 some of you may know. Bob, would you like to say  
16 something from an owner's perspective?

17 MR. GERZAK: I'd like to say the same thing  
18 Mr. Allen just said. It's very appropriate that we  
19 find a profitable ownership of the track and the  
20 horsemen, to find an area that can fit both of them,  
21 and both may come up -- has to give up a little bit,  
22 you know. We're not in Congress with the Democrats  
23 and Republicans here. We just have to fit that  
24 opportunity that fits all of us in a profitable  
25 situation. Thank you.

1           MR. REYNOLDS: Can you come up front, please,  
2 and identify yourself, please? Thank you. Sorry.

3           MS. BELCHER: That's all right. Lyla Belcher.  
4 I'd just like to address the Commission, two small --  
5 well, they're not small issues, that the president  
6 of Colonial brought forth.

7           I don't live in Virginia. Okay? I live in South  
8 Carolina and Pennsylvania. I keep my lay-ups in  
9 Virginia. I employ horses and people in Virginia  
10 throughout the year.

11           That's my first comment, is being a resident of  
12 Virginia doesn't necessarily affect how you support  
13 the economy. I bring 28 horses here, usually during  
14 the Colonial meet, that buy straw, hay, employs the  
15 vets, those kind of things.

16           I'd also like to address the perception that just  
17 because you have a \$5,000 or \$7,500 horse that's not  
18 good racing. I have trained stakes winners of the  
19 Virginia stake races. I'm also the proud owner of  
20 the horse that ran five times, won three times, a  
21 second, and also ran. She ran for \$5,000, made her  
22 owner very happy, which was me.

23           So the perception -- basically, we all want a  
24 high-end horse, mostly because it's more money, but  
25 you know, a low-end horse isn't necessarily not as

1 good a quality animal if it can only go 5/8 in 104  
2 and not 101.

3 So I want to make sure the Commission understands  
4 that. When you run a horse five times, if it's not  
5 making you money, you usually quit doing it. So I  
6 don't like the perception that low-end racing isn't  
7 high-quality racing, and those are still actually  
8 helping support the economy in Virginia.

9 High profile racing, you know, they never make  
10 any, you know, when that Honey's Meadow, I mean she's  
11 a tiny little 15-hand filly. She won three races and  
12 a second and a fourth, and there was never any --  
13 like Good On You Girl, there was never any publicity.  
14 What makes high profile racing is publicity. That's  
15 all I have to say.

16 MR. REYNOLDS: Thank you.

17 MR. PETRAMALO: Do we have any breeders here  
18 that want to say anything?

19 MR. REYNOLDS: I'm gonna let Frank call on you  
20 all. You all come on up.

21 MS. GORDON MOORE: I'm Jill Gordon Moore. We  
22 have a small farm in Northern Virginia. We breed  
23 Thoroughbreds, and the big question is what's the  
24 point? When you breed Thoroughbreds, you can't  
25 change from 2013 to '14 suddenly.

1           why foal in the state if there's no racing? You  
2           can't do it over night. It's a two- to three- to  
3           five-year program we're trying to do. why foal  
4           horses in Virginia? There's absolutely no reason,  
5           unless you happen to like to live here.

6           But the big reason is there's good land, there's  
7           space, and there's a built-in horse community of  
8           people who know what they're doing, and we can do  
9           anything in Virginia as well as they can do in  
10          Kentucky, but we need the opportunities to be laid  
11          out in front of us so we know where we're going.

12          At this point, I've got all these little  
13          Virginia-breds running around hoping for breeder  
14          awards. well, hey. Next year, there might not be  
15          any because we're already losing money. But do I  
16          suddenly take these 11-and-a-half month pregnant  
17          mares and move them across some state line quickly so  
18          we're not looking like such idiots breeding horses in  
19          a state with no racing? You can't do that. You  
20          gotta look for the horses, you gotta you look for the  
21          people. we've been doing it for a long time now.

22          I used to manage a big farm in Virginia. It was  
23          all very successful, but as we go further and  
24          farther, it's looking less and less -- there are no  
25          reasons to do it.

1           we need -- I came up at Belmont Park and I've  
2 always looked for quality in racing, and I think  
3 that's the way you go, but they're not all stakes  
4 winners. The majority of the horses are under groups  
5 that are making it happen.

6           Like Lyla said, that nice little 15-hand mare did  
7 a lot for everybody. She built a bigger field that  
8 people want to bet on.

9           Everybody has their own program here, and there  
10 is a middle ground we can all get together on, and  
11 it's not one person giving everything up. I don't  
12 wanna give up the whole breeding industry and go  
13 somewhere else where I don't live and change my whole  
14 life.

15           I see what Colonial is. I love quality racing,  
16 but with those top races, you still need the under  
17 cards to fill them up, and these horses are all gonna  
18 come from somewhere, and we just need to all try and  
19 get on the same page.

20           If we blow it this year, chances are going  
21 forward really why does anybody want to come to  
22 Virginia, and we just need to try and come up with a  
23 compromise. There are a lot of smart people in this  
24 state. There are a lot of opportunities, but we need  
25 to come up with an answer today and figure out where

1 we're going so we have a plan.

2 As a breeder, it's getting harder and harder, and  
3 the numbers are reducing, and I thought, well, we  
4 have no longer Ned Evans in the business. Suddenly,  
5 it's like the pie is gonna get bigger. Guess what?  
6 There is no pie.

7 So here we are with fields full of  
8 Virginia-breds. What do we do with them? Well,  
9 hopefully, they're good enough quality, they're gonna  
10 go elsewhere.

11 The Breeders Fund money that we're gonna give up,  
12 we could have been making a lot of money in other  
13 states. I got a check for \$5,000 this year. I could  
14 have gotten 85,000 in Pennsylvania, but we keep  
15 trying because we're here and everybody wants to make  
16 a go of it, and I'm hoping that we can all come to  
17 some kind of compromise today.

18 MR. REYNOLDS: Thank you.

19 MR. PETRAMALO: Anne Tucker.

20 MR. REYNOLDS: That's exactly why we need a  
21 three- to five-year plan and have something in place  
22 that you all can count on.

23 MS. GORDON MOORE: You're gonna find heavily  
24 pregnant mares leaving.

25 MR. REYNOLDS: Well, there's enough pressure on

1           them leaving anyway, because I know other states are  
2           offering a lot more money, giving you all incentives  
3           to take your horses elsewhere.

4           MS. GORDON MOORE: Right, but this is a better  
5           place to raise a horse. You can't change that.  
6           That's here. Historically, it's always been like  
7           that.

8           MR. REYNOLDS: Thank you very much.  
9           Yes, ma'am.

10          MS. TUCKER: I'm Anne Tucker, and I introduced  
11          myself earlier as a breeder, an owner, seasoned box  
12          holder. I'm also a fourth generation breeder and a  
13          racing fan, and I've been coming here since the day  
14          the gates opened.

15          what I am seeing, starting to see, is not a  
16          vision of the revitalization of racing and the  
17          Thoroughbred industry in Virginia, but a failed  
18          experiment. We have, my husband and I have a farm in  
19          Hanover county. We have invested considerable money  
20          in barns, fencing, developing pasture, breeding  
21          mares, and they have raced here and we've had some  
22          fun here, had some success. But right now our  
23          Virginia-breds, it appears, are going to stay in  
24          Pennsylvania and race. The one in Florida will  
25          probably come back up to Maryland.

1           You know, what is the vision? what happened to  
2           it? I also would point out that two of the  
3           veterinarians who have worked for us are here, Drs.  
4           Neice and Daniels; I hope you'll stand up. Two  
5           trainers that we have used, Donna Dennehy and  
6           Stephanie Nixon are here, and the man who delivers my  
7           feed is here. Brad, would you stand up? I don't  
8           need feed tomorrow because we're reducing our herd.  
9           That's the sad truth.

10           MR. KUHN: My name is a Chris Kuhn. I live in  
11           New Kent. I have bred a couple horses. In fact, he  
12           was born on St. Patrick's Day. This isn't a, you  
13           know, we're having fun breeding horses. We're having  
14           fun races horses. This is a business for Mr.  
15           Stewart. This is a business for HBPA. It's a  
16           business. I understand.

17           I think if there's a point with Mr. Stewart that  
18           he says 300,000, and there's a point with HBPA saying  
19           150,000, it's not the racing dates. We're not at the  
20           racing dates. We're at money here.

21           I'm a businessman. A lot of people out here own  
22           businesses. I gotta get back to my business. This  
23           is fun. The race horse business has always been fun.  
24           It's a hobby, and you know, some people make  
25           businesses out of it; don't get me wrong. My point



1 is it's supported by the business.

2 we have got to get you guys together on a number  
3 that you can live with, that 300 to 150. That sounds  
4 like the bottom line. That's where we are. Even the  
5 dates don't mean that much.

6 Mr. Stewart or someone said \$20,000 a day to run  
7 a race day here at Colonial Downs. If that's the  
8 case, then it's \$400,000 -- \$420,000 for 21 days.  
9 That's the number. That's the number. We gotta get  
10 this worked out.

11 It's not about -- you know, I love horse races.  
12 My dad had a horse in the Derby and the Preakness.  
13 It's in my blood. We got to get down to business  
14 here. This is business. This isn't -- we're not  
15 playing around here with, you know, I love the thing,  
16 but you guys have got to get together on those  
17 numbers.

18 That's all there is to it, and it's not about  
19 anybody else. It's not about what we want, because  
20 we all want it. We all want the same things, but  
21 it's the numbers. Please, you guys. Get together,  
22 figure it out and get going. We're gonna lose this  
23 whole thing if we don't. It doesn't matter about  
24 anything else.

25 Thank you very much.

1 MR. REYNOLDS: Thank you. Anybody else?

2 MR. PETRAMALO: Dr. Daniels.

3 DR. DANIELS: I'm Doug Daniels. I own Virginia  
4 Equine Clinic in Goochland County. I've been a  
5 licensed owner, a breeder, member of the Virginia  
6 Thoroughbred Association. My practice probably takes  
7 care of the lion's share of the local race horse  
8 population. I know nearly everyone in the room.

9 I really have two points. One, I think one point  
10 that I want to make sure gets said in this meeting is  
11 that maybe I'm speaking entirely for myself, but I  
12 don't think so.

13 I think we all agree that the group, the  
14 horsemen's group that speaks for us, is the Virginia  
15 Horsemens Benevolent Protection Association. The  
16 VHBPA, they represent us. If there's anyone in this  
17 room that chose to come today and cares enough about  
18 it to be heard that feels otherwise, I think they  
19 should make that known as well. I would not support  
20 an alternate group speaking on our behalf, and I  
21 would not want to see that happen.

22 My second real concern is as a Thoroughbred  
23 breeder in Virginia, anything, any proposal that  
24 minimizes or diminishes in any way the ability for  
25 opportunity we have to run our Virginia-breds against

1 each other or for Virginia-bred money, I think it  
2 doesn't work in the horsemen's behalf; doesn't work  
3 well for us.

4 I think minimizing, especially a very small  
5 boutique sort of scenario, would leave very little  
6 opportunity for the average Thoroughbred breeder in  
7 Virginia that does invest in the economy, in the  
8 agricultural community, leaves them very little  
9 opportunity to do just that; run Virginia-breds  
10 against each other for Virginia-bred money.

11 That's all I have to say. Thank you.

12 MR. REYNOLDS: Thank you.

13 MR. PETRAMALO: John White.

14 MR. WHITE: My name is a John White. I'm an  
15 owner and breeder in Roanoke, Virginia. I think I  
16 have a lot of thoughts on this, but as far as the  
17 role that I see that the Commission needs to take as  
18 far as a bigger viewpoint of it, is all of it  
19 involved here from the beginning of how Colonial  
20 first got this license and the responsibility that  
21 Colonial has for this license, you know. They sought  
22 the license.

23 A commission has a responsibility to the tax  
24 payers and the residents of the state. From the  
25 revenue standpoint, everybody said before, the hay

1 that we buy, the feed that we buy, the fencing that  
2 we buy, the buildings that we build, all of that  
3 generates income or dollars tax-wise for employment  
4 in the state of Virginia.

5 If Colonial doesn't continue in a level beyond  
6 what they're doing, all of that revenue is gonna be  
7 nickel and dime compared to the kind of money you're  
8 talking about here losing already. There's a bigger  
9 picture here, and I think they have a responsibility.

10 I think that, you know, for -- I agree with what  
11 Ferris said. I think that sounds more than  
12 reasonable to me.

13 But if Colonial over its history is not able to  
14 be financially successful, they have a responsibility  
15 to Jacobs Entertainment, who owns them, to get out of  
16 the business.

17 I would be in favor, either we need to come to an  
18 agreement of at least three years, or I would be as  
19 an owner willing to accept a smaller period of time  
20 where Colonial would at least pay a third party to  
21 appraise the value of this property, and then let  
22 the horsemen at least have first rights of refusal on  
23 the purchase of that property, you know. Because if  
24 they can't be successful, then they have a  
25 responsibility to themselves and their own

1 stockholders to move on.

2 The government has a responsibility if they  
3 cannot be successful to help them move on. That's  
4 kind of where I see where we are, you know, now. I  
5 want -- I got into this business, or you know,  
6 business to breed. I would have been better off  
7 having my foals or my mares sent to Maryland, because  
8 the bonus money there would have been significantly  
9 greater than here.

10 I'm a resident born and bred here in the state of  
11 Virginia. I have great pride in this. I fell in  
12 love with horse racing on the back side of this  
13 track, and I think it's a shame that, you know, that  
14 Colonial, you know, my interpretation is that  
15 Colonial would just as soon drop all the money out of  
16 a helicopter and have it all done in one day, you  
17 know.

18 I think their interest is to cut the cost. If  
19 they can get rid of racing in Virginia, then they  
20 have cut a significant portion of their cost. They  
21 can focus on the advanced wagering deposit. That's  
22 where the money is, you know, but you have a  
23 responsibility to us and the citizens and tax papers  
24 to help them move along. At least that's my opinion.  
25 Thank you.

1 MR. REYNOLDS: Thank you.

2 MR. PETRAMALO: Anyone else want to volunteer  
3 their opinions? Debbie?

4 MS. EASTER: Debbie Easter with the VTA. I  
5 think it's unfortunate, just because I've only been  
6 here six months as far as a professional capacity.  
7 It's unfortunate. We've had a long history of folks  
8 that worked I think HBPA and track a little better  
9 than other states in the past, and while there were  
10 differences and strengths, people compromised.

11 There's an unfortunate distrust, it appears, from  
12 looking from the outside with all the groups, and I'm  
13 not sure that we don't have to have a little bit more  
14 transparency to answer this level of distrust.

15 I know that every time -- of the meetings I've  
16 been in since I started in June, I think that every  
17 time Colonial was asked or put forth a proposal, the  
18 Commission asked for -- was open minded and said if  
19 you want 12 days, you want six days, give us some  
20 revenue projections about why that is going to work  
21 long-term.

22 I haven't ever seen those revenue projections  
23 come. I think that until maybe we see some of those  
24 things, why you think this is gonna help grow  
25 breeding and racing in Virginia, I don't know how

1 you're gonna answer some of the questions from people  
2 that are up here.

3 One of the things that happened in Maryland was  
4 they had to open the books totally to get the  
5 horsemen's group and the track together. So I think  
6 that those are things that the Commission ought to  
7 think about.

8 Like I said, I haven't had that history as Ian  
9 talked about, so maybe somewhere down the road they  
10 did that, but it hasn't happened the short-term. I  
11 just think that's what's important is 2014, and going  
12 forward, and a little bit of compromise on both  
13 sides. This may not work for you in 2014, exactly,  
14 the track, but let's look at people are willing to be  
15 very open minded going forward, and you ought to  
16 think about those things. Thank you.

17 MR. REYNOLDS: Thank you.

18 MR. PETRAMALO: Teresa.

19 MS. CARUTHERS: I'm Teresa Coruthers, owner,  
20 trainer, and I would like to express my opinion. I  
21 realize that finances has been said here, but as a  
22 trainer, I want to express my opinion that your days  
23 are not enough.

24 Trying to enter your horse in the beginning of  
25 the meet is fine; you get to run, like you said, and

1           then when you come to the middle of the meet, many,  
2           many times, there's been canceled days and then  
3           something else happens.

4           The trainers are losing money. The owners get  
5           dissatisfied. I have cut my numbers down, because I  
6           think in the long run -- I moved here from Kentucky.  
7           I -- for ten years. I've carried a license for 35  
8           years.

9           There is no possible way that you can train a  
10          horse properly and feel satisfied by having 21 days.  
11          If I lived in Florida, there'd be no way I would  
12          bring good horses here to run at a beautiful track  
13          that's the second largest racetrack in the United  
14          States, and you guys are dwindling the days, hurting  
15          the trainers and the owners more than what you think,  
16          even the breeders.

17          The best way you can do it is to add days. I  
18          mean I know you can't right now, but in the future,  
19          if you don't, you're gonna get the bottom of the  
20          barrel, and I've seen that happen. I've been here  
21          since this track opened, thinking that I was coming  
22          to a state that really loved racing, and I'm totally  
23          disappointed.

24                 MR. REYNOLDS: Thank you.

25                 MR. PETRAMALO: Anyone else? Yeah.



1           MR. TWISDALE: Pete Twisdale, trainer.  
2           Virginia is my home. I've trained all over the  
3           country, moved back here because of Colonial. I am  
4           now currently employed by (inaudible), who keeps from  
5           roughly 60 to 80 horses all the time. Run in  
6           Maryland, west Virginia. Really love to run here in  
7           Virginia, because his office is 15 minutes from here.  
8           He gets to see them run.

9           Problem is, I think most of the people that are  
10          in this room here, aside from trying to make a buck,  
11          do horse racing because they love it. The difference  
12          I see in the horsemen and the racetrack is they have  
13          a love, too, but it's for money. Money is not the  
14          answer to everything. But if they're gonna make this  
15          place work, they better try to get these two groups  
16          together and come to a reasonable compromise.

17          When they started to build this track, I moved  
18          back to Virginia. I thought it was the worst place  
19          in the world. You can't get here from anywhere. You  
20          gotta go somewhere else and start. They should have  
21          built it, in my opinion, on the North Carolina state  
22          line and formed a tri-state breeding program that  
23          would involve South Carolina, North Carolina and  
24          Virginia.

25          Breed the horse in North Carolina and foal him in

1           Virginia and he's still a Virginia-bred. Breed him  
2           in Virginia and foal him in South Carolina. He can  
3           run in Virginia-breds. Anything to enhance more  
4           people, more horses.

5           Most of the horses that run for 5,000 here are  
6           running here because they get an opportunity at this  
7           track to run for 5,000 on a grass track. Most of the  
8           larger tracks is eighteen five allowance or above.  
9           You don't get on the green unless you got an  
10          allowance or stakes horse. It's an opportunity here.  
11          I seen \$5,000 horses on the dirt turn into stake  
12          horses on the grass and vice versa.

13          But the belief that this is low class racing  
14          because we run a lot of \$5,000 claimers, a lot of the  
15          horses are \$5,000 horses, but would you rather own a  
16          horse you thought was a stake horse, and you run him,  
17          and he also ran nine out of ten or run a \$5,000 claim  
18          that you get your check every time he goes?

19          We ran one horse here before last year five times  
20          in a five-week meet, which is something I have never  
21          done in my entire life. This horse was running from  
22          7500 to 16,000, he had a win, second, third and a  
23          fourth out of five starts.

24          Dr. Daniels was very pleased with that, but then  
25          when we went back and looked back at the figures of

1           what it cost us to bring everything we brought here  
2           and it was five weeks and we were gone. That was the  
3           only horse that got to run more than once here during  
4           that whole meet. Most horses cycle on a 14 to 20 day  
5           meet. I just hope you all get it together, because  
6           you're losing a golden opportunity, unless we can  
7           jack this place up and move it somewhere.

8           MR. REYNOLDS: Thank you.

9           MR. PETRAMALO: Anybody else?

10           NOTE: There was no response.

11           MR. REYNOLDS: All right. I'm gonna go back to  
12           the track for rebuttal, so to speak.

13           MR. WEINBERG: I'm not looking to rebut, I just  
14           want to make sure that as we continue this  
15           discussion, that we're all operating on the same  
16           facts, and there were a few things that were either  
17           glossed over or I think stated incorrectly.

18           Operational costs are not per day. They are per  
19           week, and particularly so in New Kent. We are not in  
20           a greater metropolitan Washington area where you can  
21           hire people on a per diem basis to come and operate  
22           the gate or do other functions around the track; they  
23           need to come here for the duration of the meet.

24           So I appreciate reducing it to three days a week  
25           does not reduce costs in the sense that costs are

1 incurred on a per week basis. Just to give you an  
2 idea, a five-week meet costs \$1 million in 2013, so  
3 20,000 a day doesn't quite work out, either. That  
4 was a number that was being kicked around. We  
5 shouldn't focus on that number, because I don't think  
6 it's an accurate number.

7 MR. REYNOLDS: Okay.

8 MR. WEINBERG: I agree with Mr. Ross and  
9 Frank's description. I think the track and the  
10 horsemen have been flexible over the years. There  
11 have been a number of dust-ups, and I think we have  
12 always found a way to preserve the status quo and  
13 work through those dust-ups.

14 I do think it's important as we continue this  
15 conversation to realize that for the first time in 18  
16 years, the system shut down. People have been  
17 unhappy in the past, but the system has never shut  
18 down, and it did shut down because the contract  
19 wasn't extended, and it wasn't because Colonial Downs  
20 wasn't willing to extend the contract to preserve the  
21 status quo as we continued the discussion. It became  
22 part of a leverage.

23 well, we are \$1 million different from where we  
24 were in January when we were trying to work through  
25 this. We need to account for that. It can't be

1 glossed over that we can go back to where we were  
2 having discussions in January and pretend that \$1  
3 million is gone from the system and it doesn't matter  
4 anymore. If we're gonna be realistic about 2014,  
5 that needs to be part of the discussion.

6 As I understand, it's gonna get worse. The HBPA,  
7 to increase their leverage, is encouraging other  
8 horsemen's groups to discontinue their signal to EZ  
9 Horseplay, which will continue to diminish the  
10 dollars for the purse funds, for the state, and for  
11 the track. That's not gonna move us any closer to  
12 reconciling our differences for 2014 and beyond.

13 I think there have been a lot of positive  
14 comments about how we measure quality and different  
15 components of what that racing program looks like,  
16 and I think those are critical components for forging  
17 a long-term vision, and I appreciate the comments  
18 that were made in the observations.

19 MR. REYNOLDS: Okay.

20 MR. PETRAMALO: One point. Let me just say  
21 that to quote a line from the Godfather, this is just  
22 business; it's not personal. We get along fine.

23 We always hear numbers from Colonial about it  
24 costs this, it costs that. Now Jim says for the  
25 first time this morning that I heard, that it cost a

1           \$1 million for this shutdown.

2           well, on February 14th, Ian Stewart volunteered  
3           to make the financial books available. We signed a  
4           confidentiality agreement. Have we seen those? No.  
5           Six weeks later.

6           So if they want to complain about this costs so  
7           much and that costs so much, and we can only hire Joe  
8           to work a week because he won't work three days,  
9           let's see the data. Let's start there if they wanna  
10          have conversations.

11          MR. STEWART: Let me reply to that. On  
12          February 21st, I sent an e-mail to David Ross, and at  
13          the bottom, it says: Secretary Jones asked the  
14          parties about their vision for racing in Virginia.  
15          Colonial Downs responded, the HBPA did not. Colonial  
16          Downs would appreciate a response from the VHBPA as  
17          to its vision of Thoroughbred racing in Virginia.  
18          Colonial Downs believes a fundamental difference in  
19          the vision is the heart of this dispute. Provide a  
20          vision statement --

21          MR. PETRAMALO: Our vision is eight weeks of  
22          racing in June and July every summer in a window  
23          between racing at Maryland, and we'd like to race for  
24          at least 200,000, perhaps 250,000. That's our  
25          vision.

1           MR. STEWART:  Where's the growth?  Why don't  
2 you spend more than 30 seconds articulating it and --

3           MR. PETRAMALO:  Well, your vision is a boutique  
4 meet.  Somehow or other by going to six days, it's  
5 going to increase revenue.

6           well, last year, last year, you convinced us to  
7 try that experiment and it was an absolute disaster.  
8 You cut back from 31 days to 24, attendance went down  
9 25 percent, handle went down 23 percent, the  
10 opportunities for horses to run went down 30 percent,  
11 and the average starts per horse went down, I think  
12 it was 20 percent.

13           Now, if you want to convince me that those  
14 numbers are wrong and that you've got some plan for  
15 increasing them for six days or 12 days, go forward.  
16 Show me the numbers.  I've never seen them.

17           MR. STEWART:  Once again, we've asked you for a  
18 vision statement.

19           A MEMBER OF THE PUBLIC:  It's on the record.

20           MR. ROSS:  Mr. Chairman, I think -- again, not  
21 losing track of where we've wanted to go, and I know  
22 where the Commission wants to go on behalf of the  
23 Commonwealth, and that is to get a race meet under  
24 way.

25           DG has put a proposal on the table.  He has

1 suggested that proposal be considered. We have said,  
2 fine, we're prepared to do it. If that implies that  
3 you need a vision for 2014 to have that proposal  
4 considered before Colonial can make a response,  
5 please speak up and let me understand that, because I  
6 clearly don't understand it.

7 I think what we need to do is we need to get the  
8 show on the road before it's too late. You know,  
9 again, you talked about millions of dollars here and  
10 there and wherever. Show us. I mean we have done  
11 what you've asked us to do.

12 MR. STUART: No, you have not.

13 MR. ROSS: If you want to put additional  
14 conditions on the table, please make it clear so  
15 everyone understands and we don't hide behind these  
16 meetings, and go back and then discuss things at a  
17 later date. C'mon. Let's get it on the table.

18 MR. STEWART: We're not hiding the ball. I  
19 told you what you need to do.

20 MR. REYNOLDS: What I'm gonna suggest that we  
21 do going forward is take DG's proposal, and let's go  
22 sit down and see if we can't hammer out an agreement  
23 on it, and in that meeting, we can talk about you  
24 alls' vision. I would like to hear more about how  
25 you would project the revenue to grow down the years.



1 I'd like to hear the same thing from the track.

2 I'd like to see the track's financials as well,  
3 but let's all take DG's proposal, sit down and talk  
4 about that stuff, and get everything out on the table  
5 and get this wrapped up.

6 I agree with Mr. Ross that right now, let's get  
7 this 2014 hammered out so we can have live racing  
8 this year. Let's get back to this Blue Ribbon  
9 committee and talk about our vision and each person's  
10 vision and come up with a uniform vision that we can  
11 all agree to, so that we can get back to hopefully a  
12 five-year contract so the breeders can know what they  
13 can expect down the road, because I think some very  
14 good points were made earlier.

15 So that would be my suggestion as the next step  
16 forward.

17 MR. PETRAMALO: Fine with us.

18 MR. REYNOLDS: And I think we should do it  
19 sooner, rather than later. I will make myself  
20 available almost 24/7, but between three and five in  
21 the morning, I'm not, you know.

22 MR. PETRAMALO: We're at your disposal,  
23 including three to five in the morning. At least for  
24 me anyway. Stephanie says no.

25 MS. NIXON: I e-mail you in the morning.

1 MR. REYNOLDS: Yes, ma'am.

2 MS. BOUZEK: I'm Jeanna Bouzek. I'm vice  
3 president of operations for Colonial Downs. I don't  
4 own a racehorse and I don't own a racetrack. I want  
5 to speak for what's happening in the OTBs because of  
6 this lack of extension of contracts. I don't know  
7 what was asked of us, I don't know what was asked of  
8 them; I just know what happens when I go into an OTB.

9 Not only have we had to lay off the people for  
10 the four sites that are closed, I've been with  
11 Colonial Downs since day one. Some of these people,  
12 especially at the Alberta site, I've known since day  
13 one.

14 I started as a teller and I've come up  
15 throughout, and I always do what I'm paid to do, and  
16 that doesn't mean I agree with it, doesn't mean I  
17 don't agree with it, but when I go into an OTB and  
18 see some of the abuse that these employees have to  
19 take, much less the employees sitting here because of  
20 what's going on, it's absurd. Things that are  
21 written on Facebook.

22 when we all leave here, she's gonna have a  
23 different opinion of how things went; he's gonna have  
24 a different opinion how it went. They're gonna tell  
25 their friends. When they are going to go into the

1 OTBs, those people don't have a clue what's gone on  
2 or what's been going on, and you've ruined it. I'm  
3 telling you go out there.

4 MR. REYNOLDS: Yeah. I believe you.

5 MS. BOUZEK: I spent weeks out there, because I  
6 refused to let the employees take it on their own,  
7 and you're never gonna have it back.

8 MR. REYNOLDS: I agree with you.

9 MS. BOUZEK: The contract you need back.

10 MR. REYNOLDS: Yes, we do. Are there any other  
11 comments? Do we need to pick a date for the next  
12 meeting? Does any of the commissioners have any  
13 further comments, DG or Carol?

14 MS. DAWSON: I appreciated all the openness  
15 today and it really is helpful.

16 MR. REYNOLDS: DG?

17 MR. VAN CLIEF: No, other than to repeat again,  
18 I urge the parties to consider this as a new starting  
19 point, and do not under estimate the difficulty if we  
20 do go dark any longer.

21 MR. REYNOLDS: Agreed. Stran.

22 MR. TROUT: No comments at this time. I  
23 appreciate all this today, because I think a lot of  
24 things have been expressed, and I agree very much  
25 with the chairman, that based on what we have now, we

1 need to sit down, get everybody together, and at  
2 least get this year going, and the idea of having  
3 some planning for multiple years in the future makes  
4 a lot of sense.

5 MR. REYNOLDS: Members?

6 MR. HETTEL: Do you want to go ahead and set a  
7 meeting? The agenda items have not been voted on  
8 today because we don't have a seated quorum.

9 MR. REYNOLDS: Let's try to set a meeting date.

10 MR. HETTEL: Okay. Let's do it. Stran, have  
11 you got any out days?

12 MR. TROUT: I don't think so. Looks like my  
13 trip to Southeast Asia has been canceled, which is  
14 very disappointing, because it's snowing out there  
15 and it has been. I'd much rather travel, but I guess  
16 I'm going to be here, like it or not.

17 MR. PETRAMALO: Is this the special meeting?

18 MR. HETTEL: We can go ahead and call a meeting  
19 and include the urgency of the 2014 days.

20 MR. PETRAMALO: No, no. I thought the special  
21 meeting for Dogwood.

22 MR. HETTEL: I didn't know we were going to do  
23 that. Why don't we just not have a special one and  
24 have a regular one?

25 MR. PETRAMALO: Fine.

1           MR. HETTEL: Okay. Go ahead. We can set that  
2 for a separate day. We've got business to do. We'll  
3 worry about that when we can get to it. Sarge.

4           MR. REYNOLDS: The week of April 8th.

5           MR. HETTEL: DG, Carol?

6           MR. VAN CLIEF: Bernie?

7           MR. HETTEL: We're working on the dates. I  
8 need a good date for you past -- Stran's got an open  
9 availability. Sarge has an open availability. When  
10 can you be here in person for the next official  
11 regular meet?

12           MR. VAN CLIEF: Well, let me suggest that given  
13 my scheduling issues, that you poll it with the whole  
14 Commission first.

15           MR. HETTEL: Okay.

16           MR. VAN CLIEF: If I wasn't going to be back in  
17 town or if I was going to be out of town, I might be  
18 able to change my calendar or I'd fly in for the  
19 night for a meeting. Let's see what everybody else  
20 can do. I don't want to slow this down, nor do I  
21 underestimate the sense of urgency if we have a  
22 little momentum going more.

23           MR. HETTEL: All right.

24           MR. VAN CLIEF: So don't hold up for me. I  
25 will get on the phone under any circumstances.

1 MR. HETTEL: Carol, what's your availability?

2 MS. DAWSON: You're talking the rest of March?

3 MR. HETTEL: We need a ten-day notice of a  
4 meet, so ten days from today on.

5 MS. DAWSON: I don't know that I have any  
6 weekday conflicts coming up until April 7th. I'm not  
7 available that day.

8 MR. HETTEL: Okay.

9 MS. DAWSON: Then later on in the month of  
10 April, I will be out of town from the 23rd, I think  
11 it was, until the 27th.

12 MR. HETTEL: How about Thursday, March 27th?  
13 Is that good for everybody?

14 MR. PETRAMALO: Yes.

15 MS. DAWSON: It looks okay here.

16 MR. REYNOLDS: Yes. I've got something, but  
17 I'll move it.

18 MR. TROUT: That's fine with me.

19 MR. VAN CLIEF: This is DG. I'll make that  
20 work one way or the other.

21 MR. HETTEL: All right. Let's consider that  
22 the deal. We'll send a notice today.

23 MR. REYNOLDS: March 27th, Ian?

24 MR. STEWART: Yeah.

25 MR. REYNOLDS: I think the sooner, the better.

1 MR. HETTEL: Back in this building.

2 MR. REYNOLDS: That's the soonest we can.

3 MR. HETTEL: March 27th, we'll start at?

4 MR. REYNOLDS: Nine, ten o'clock. We usually  
5 do ten, but I don't care.

6 MR. PETRAMALO: Ten.

7 MR. REYNOLDS: Ten o'clock. Let's do that.

8 MR. TROUT: Gives you all time to get down  
9 here.

10 MR. PETRAMALO: You're right, Stran. It'll  
11 probably snow.

12 MR. HETTEL: All right. Very good. Any other  
13 business?

14 MR. REYNOLDS: Okay. We're all set. Any other  
15 business to come before the Commission?

16 NOTE: There is no response.

17 MR. REYNOLDS: Well, thank you all so much for  
18 braving the wintery mix out there and getting down  
19 here. We heard a lot of very important things today.  
20 Hopefully, we can get these groups together and get  
21 something done, and we'll see you March 27th.

22 Thank you all very much.

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24 NOTE: This hearing is adjourned at

25 12:25 p.m.

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CERTIFICATE OF COURT REPORTER

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

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

Given under my hand this 22nd day of June, 2014.

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SANDRA G. SPINNER

COURT REPORTER