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VIRGINIA RACING COMMISSION

April 8, 2015

PATRICK HENRY BUILDING
EAST READING ROOM
1111 EAST BROAD STREET
RICHMOND, VA 23219

Commencing at 9:58 a.m.

COMMISSION MEMBERS:

J. Sargeant Reynolds, Jr., Chairman
D.G. Van Clief, Jr., Vice Chairman
Carol G. Dawson
I. Clinton Miller
Charles W. Steger, PhD

COMMISSION STAFF:

Bernard J. Hettel, Executive Secretary
Courtney C. Reid, Program Support Technician
Kimberly C. Mackey, Office Administrator
David S. Lermond, Deputy Executive Secretary/Fiscal Officer
C. Richard Harden, DVM, Equine Medical Director

OFFICE OF AGRICULTURE AND FORESTRY:

Sam Towell, Deputy Secretary of Agriculture and Forestry

ATTORNEY GENERAL'S OFFICE:

Joshua Laws, Esquire

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1 MR. HETTEL: Let me start by first some
2 housekeeping. We've got our new commissioner
3 joining us today, Dr. Charlie Steger, past
4 president of Virginia Tech. I think, Doctor, do
5 you want to say something nice about Virginia Tech?

6 DR. STEGER: Oh, yes. It's a very fine school.

7 MR. HETTEL: Great school. Dr. Steger is a
8 fine horseman.

9 DR. DUNAVANT: Good to have you on board,
10 Doctor.

11 MR. REYNOLDS: Two of us Cavaliers welcome you,
12 maybe more.

13 MR. HETTEL: We've got a Washington & Lee at
14 the end, so we've got all the good Virginia schools
15 represented. And a Richmond guy.

16 Second order of business, this is our first
17 meeting of the new year, believe it or not, and we
18 need to elect a chairman.

19 Commissioner Dawson, may I seek a nomination
20 from you?

21 MS. DAWSON: Yes. Hopefully, they are willing.
22 I would like to nominate for Chairman our current
23 Chairman, Sarge Reynolds.

24 MR. HETTEL: Let's seek a second on your
25 nomination.

1 MR. VAN CLIEF: Second.

2 MR. HETTEL: Any opposition?

3 NOTE: There is no response.

4 MR. HETTEL: Hearing no opposition,
5 congratulations, Mr. Chairman.

6 MR. REYNOLDS: Thank you.

7 MR. HETTEL: You may take the meeting over now.

8 MR. REYNOLDS: I appreciate it very much.

9 MR. HETTEL: Let's get a vice chair elected.

10 MR. REYNOLDS: I will do that. Thank you very
11 much. I guess I get to stay in the frying pan, but
12 I look forward to it. Thank you all for your
13 confidence.

14 I'd like to seek a nomination for vice
15 chairman.

16 MS. DAWSON: Mr. Chairman, I'd like to nominate
17 D.G. Van Clief, Jr.

18 MR. REYNOLDS: Is there a second?

19 MR. MILLER: Second.

20 MR. REYNOLDS: All those in favor, say aye.

21 NOTE: The commissioners vote aye.

22 MR. REYNOLDS: Mr. Vice Chairman, are you --

23 MR. VAN CLIEF: I'm willing to serve again.
24 Thank you.

25 MR. REYNOLDS: Are you able to serve?

1 MR. VAN CLIEF: I'm not so certain about that.
2 I'll try hard.

3 MR. REYNOLDS: Congratulations. The motion
4 carries.

5 with that, let's move on to the approval of the
6 December 12, 2014 meeting minutes. I understand
7 that there may be an amendment to the minutes.

8 MR. MILLER: Mr. Chairman, on the second page
9 of the minutes in the third paragraph from the
10 bottom, it says EZHorseplay, TVG, XpressBet and
11 Twinpires were each unanimously approved for the
12 renewal of their account deposit wagering license
13 for 2015. That's not quite accurate.

14 what should be added to that sentence is
15 renewal of their account deposit wagering license
16 for 2015, subject to the conditions set forth
17 above. And then when you look above, you'll see
18 the conditions in the previous paragraphs.

19 MR. REYNOLDS: Okay. Are you moving to add
20 that?

21 MR. MILLER: I'm moving that amendment be
22 added.

23 MS. DAWSON: I second that.

24 MR. REYNOLDS: I've got a motion to amend the
25 minutes as proposed, and I have a second. All

1 those in favor, say aye.

2 NOTE: The commissioners vote aye.

3 MR. REYNOLDS: Those opposed? Hearing none,
4 the motion carries. Please make the appropriate
5 amendments. Do we need to approve them again at
6 the next meeting?

7 MR. HETTEL: They'll be all right now. The
8 amended version has been approved.

9 MR. REYNOLDS: Okay. Let's move on to new
10 business in bringing up Racing Commission
11 regulatory rules changing, and Mr. Secretary.

12 MR. HETTEL: Mr. Chairman, the first chapter,
13 Chapter 140, pertains to flat racing. If you jump
14 down to the steeple chase -- both of these
15 amendments have been included in the packet -- to
16 make them more contemporary with the National
17 Steeple Chase Association rules, and so in terms of
18 understanding and discipline, they're identical.

19 So I seek your approval of Chapter 140 to be
20 amended.

21 MR. REYNOLDS: Okay. Your staff has read
22 through this and they're okay with it?

23 MR. HETTEL: Yes, sir. The NSA is good with
24 them, too.

25 MR. REYNOLDS: Okay. Do I hear a motion to

1 approve Section 140?

2 MR. VAN CLIEF: So moved.

3 MR. REYNOLDS: Second?

4 MS. DAWSON: Second.

5 MR. REYNOLDS: All in favor, say aye.

6 NOTE: The commissioners vote aye.

7 MR. HETTEL: In that same motion, if you would,
8 would you include 160, which speaks to the over
9 weights and the differentiation in scale weights
10 for steeple chase versus flat? That's the second
11 portion that's under ii. The first was Off The
12 Course, the second is entitled Over weights.

13 MR. REYNOLDS: Okay. Mr. Van Clief.

14 MR. VAN CLIEF: I'll amend that motion to then
15 include both Sections 140 and 160.

16 MR. HETTEL: And 180 will come up. That's
17 medication.

18 MR. VAN CLIEF: It says in the motion --

19 MR. HETTEL: Dr. Harden, will you speak to the
20 amendments in 180?

21 DR. HARDEN: The amendments to Chapter 180,
22 medication chapter, basically just adds some
23 language that reflects the model rule that's from
24 the RMTc and the Jockey Club, so some of those
25 sections are nothing more than bringing in model

1 rule language.

2 The changes that will be specific to Virginia
3 and reflect some of our local issues is going to be
4 in the Lasix chapter.

5 We presently require Lasix to be administered
6 at four hours; however, the NSA, the Steeple Chase
7 Association, has a three-hour cut-off, and going
8 forward, it seems like we're gonna be in the
9 steeple chase business, so I thought and the staff
10 and other veterinarians I have consulted feel like
11 if we modify our Lasix rule to allow a three-hour
12 administration to any meet where it's primarily a
13 ship-in meet where horses come, race and then go
14 home, then by so doing, we'll not confuse steeple
15 chase trainers who are used to the three-hour rule,
16 and from a perspective of the horses, it's not a
17 significant change.

18 Lastly, the main consideration that we're
19 looking to change is our regulation on the split
20 samples for our drug testing.

21 In past years, we've maintained a secure
22 freezer in the test barn at Colonial Downs under
23 lock and key, and that going forward, we really do
24 not have that space readily available to us, so it
25 makes sense to be a situation where we will ship

1 our split samples to the testing laboratory.

2 They will maintain them under lock and key,
3 separate from the other samples, and so if the
4 trainer so wishes a split sample, then the
5 laboratory will retrieve it.

6 The trainer would have the option to go there
7 and witness the retrieval of the sample from the
8 secure space, or he could observe a video of the
9 sample being retrieved, or he may waive his need to
10 witness retrieval of the sample, but that would
11 basically take us out of the business of secure
12 storage of split samples going forward.

13 MR. REYNOLDS: Any questions?

14 MR. VAN CLIEF: Doctor, again, could you
15 clarify the reduction in the four-hour period to
16 three? As I understand it, that's to accommodate
17 ship-ins from a logistical standpoint.

18 Again, medically speaking, what difference does
19 it make whether you administer the drug at four
20 versus three hours? And if we're making this
21 change, how does that line us up with the model
22 rules elsewhere, and are we consistent in terms of
23 what we're doing here?

24 DR. HARDEN: The model rule stipulates a
25 four-hour Lasix. Up until two years ago, Virginia,

1 we allowed a three-hour Lasix. Maryland allowed
2 actually two hours, Delaware had three hours, West
3 Virginia had -- it varied on who you talk to
4 whether it was two or four. So it's all over the
5 board.

6 Medical research seems to indicate that the
7 optimum time to administer it is between three and
8 four hours. The reason to have it not less than
9 three hours is that it is a diuretic, so it dilutes
10 the concentration of the urine.

11 And so from a theoretical basis, if you had a
12 substance in the urine that you were testing for
13 and you had a diluted sample, you may not be able
14 to detect it. So we don't like it administered
15 closer than three hours because of the dilution
16 effect of the urine. But from a purely medical
17 standpoint, three to four hours is a medically
18 accepted time to administer it.

19 Now, we did not eliminate the four-hour rule.
20 We put in our definitions a definition of a ship-in
21 meet, whereas horses come to race for one, two or
22 three days and then go home. They don't stay at
23 the track for prolonged training. So in that
24 definition of a ship-in meet.

25 Then under our Lasix regulation, we stipulate

1 that at a ship-in meet, they may administer Lasix
2 down to three hours prior to post; however, if it's
3 not a ship-in meet, then the four-hour rule
4 applies.

5 So we're definitely kind of jimmying with a
6 little bit of the RMTC requirements; however,
7 Maryland is still on a three-hour rule, and they
8 contend that they are within the RMTC guidelines,
9 so there's still a lot of debate out there on that
10 one.

11 However, at a ship-in meet -- and we had a
12 12:00 o'clock post last year at the Gold Cup --
13 requiring horses to get their Lasix at eight
14 o'clock in the morning when they arrive on the
15 trailer, they sometimes now have to leave home at
16 midnight or one or two in the morning to get there
17 in time, so that one hour does seem to give a
18 little bit of a breather to the trainers that are
19 shipping horses in to a steeple chase meet.

20 MR. VAN CLIEF: I understand the logistics
21 then, but is there any danger that, regardless of
22 how small, there might be a perception that one
23 class of horses, in this case the ship-ins, are
24 getting treatment not available to the other
25 classes, which are residents or in later races and

1 can abide by the RMTC rules?

2 DR. HARDEN: We define the Lasix administration
3 according to type of meet that they're racing at.
4 So if it is a ship-in meet, all horses at that meet
5 are under the same Lasix regulation. If it's not a
6 ship-in meet, if we have a track that has horses
7 stabled there for, you know, for weeks who are
8 training and racing, then they are all under that
9 same regulation.

10 MR. VAN CLIEF: Have you talked to anybody or
11 do you think that moving to what appears to be a
12 less conservative application at the three-hour
13 mark has any bearing on the integrity of the day?

14 I think we're proud to have adopted the RMTC
15 rules, been one of the first states to do it and
16 like what that says about how we run the sport in
17 Virginia. Does this impact that in a negative way,
18 do you feel, or horsemen with whom you've spoken?

19 DR. HARDEN: We still require that Lasix be
20 administered by a designated veterinarian under the
21 observation of Commission employees, and we and the
22 Commission employee maintains possession of the
23 Lasix, so Lasix will be the only medication
24 administered, and it will be administered, you
25 know, according to your regulations, as well as we

1 are able to regulate it.

2 otherwise, a private veterinarian is still not
3 allowed to have contact with the horse on race day,
4 so I don't see that our integrity, racing
5 integrity, is violated.

6 And again, there are other states with the
7 three-hour rule that contend that they are in RMTCC
8 compliance.

9 MR. VAN CLIEF: Sorry to belabor this. One
10 last question. The effort to move the country -- I
11 realize this is more than a local issue -- towards
12 a uniform set of rules, where when a trainer
13 crosses state lines, he or she will find the same
14 rules applicable no matter where, to avoid
15 confusion and sorts of issues that the industry has
16 had for years. Are we moving in the wrong
17 direction with this kind of regulatory change?
18 What's it going to make us look like in terms of
19 the patchwork quilt out there of rules and regs?

20 DR. HARDEN: From an intellectual position, we
21 are moving in the wrong direction. From a
22 practical position, we are such a small player in
23 the horse racing world, that I don't think it would
24 have any real impact.

25 Again, primarily, steeple chase horsemen are

1 already operating under the three-hour rule, so we
2 are not -- the only difference we're going to be
3 affecting are the steeple chase horsemen, who are
4 also operating under a pari-mutuel rule, and we
5 thought two sets of rules for horsemen was
6 difficult for them to understand.

7 MR. VAN CLIEF: From a consistency standpoint,
8 we are consistent with the NSA?

9 DR. HARDEN: Yes.

10 MR. VAN CLIEF: Okay. Sorry to belabor that.
11 Thank you for all your answers.

12 MR. HETTEL: Let's get that approved, Sarge.

13 MR. REYNOLDS: Okay. Do I hear a motion to
14 approve Section 180?

15 MR. VAN CLIEF: I think we need to back up for
16 just a second.

17 MR. HETTEL: There are three of them.

18 MR. REYNOLDS: Okay.

19 MR. VAN CLIEF: I had a motion offered -- why
20 don't we bifurcate these, if that's okay, to
21 approve the wording as it's set forth before us,
22 changing Section 140. Likewise, to approve the
23 wording as set forth for us -- Bernie, where are
24 we?

25 MR. REYNOLDS: Section 160 and 180.

1 MR. VAN CLIEF: For Section 160. I'd like to
2 make that one motion, since they're similar in
3 nature.

4 MR. HETTEL: Okay.

5 MR. REYNOLDS: All those in favor, say aye.

6 MS. DAWSON: Have we seconded?

7 MR. REYNOLDS: I apologize. Do I hear a
8 second? Thank you.

9 MS. DAWSON: I'll second it.

10 MR. REYNOLDS: Okay. I apologize. All those
11 in favor?

12 NOTE: The commissioners vote aye.

13 MR. REYNOLDS: Opposed?

14 NOTE: There is no response.

15 MR. REYNOLDS: Motions for 140 and Section 160
16 are passed. Now, do I hear a motion to amend
17 Section 180 as presented?

18 MR. VAN CLIEF: I will make that motion to
19 approve the changes set forth in our book to
20 Section 180.

21 MR. REYNOLDS: Do I hear a second?

22 MS. DAWSON: Second.

23 MR. REYNOLDS: All those in favor, say aye.

24 NOTE: The commissioners vote aye.

25 MR. REYNOLDS: Opposed? Hearing none, the

1 motion carries.

2 All right. Next on the agenda is the Virginia
3 Thoroughbred Association. There are two items on
4 the agenda; Breeders Fund management contract and
5 the Virginia Gold Cup owner's bonus. Mr. Hettel,
6 would you take us through that?

7 MR. HETTEL: These were submitted by the
8 Virginia Thoroughbred Association, and they're per
9 usual last year's expenditures and per unusual of
10 the management contract. I seek approval of --
11 basically, it's the money allocated for the
12 encouragement and enhancement of the Thoroughbred
13 breeding operation racing in Virginia.

14 MR. REYNOLDS: Okay. Is this contract similar
15 to the one we approved last year?

16 MR. HETTEL: Identical.

17 MR. REYNOLDS: Okay. Do I hear a motion to --

18 MR. BERMAN: Mr. Chairman?

19 MR. REYNOLDS: Yes.

20 MR. BERMAN: I'm a member of the general
21 public. I had a comment about that. I know I'm
22 out of line where the public comments section is
23 later. I've got a couple questions I'd like to ask
24 about that, if you would indulge me.

25 MR. REYNOLDS: About what?

1 MR. BERMAN: The Breeders Fund. In 2013, the
2 MidAtlanticThoroughbred.com reported the Easter
3 Associates have been retained to manage the affairs
4 of the VTA. I wonder is that how it's still being
5 done since the --

6 MR. HETTEL: Yes.

7 MR. REYNOLDS: Yes.

8 MR. BERMAN: All right. If that's the case,
9 then wouldn't that -- I know that Ms. Easter is the
10 executive director of the VTA and it's her company
11 managing that fund.

12 I mean to a guy like me of the general public,
13 that would appear to be a conflict of interest to
14 me. I'd like the Commission to explain that to me.

15 In addition, doesn't that indicate that the VTA
16 doesn't have the staff available to be able to
17 manage their own affairs, much less the Breeders
18 Fund that is over \$1 million?

19 And finally, if Easter Associates are the ones
20 that are managing the affairs of the VTA, shouldn't
21 Easter Associates be up here asking for approval
22 and managing the Breeders Fund and not the VTA?

23 with that, I know that, you know, a lot of
24 people in this room are gonna say that's none of my
25 business, but I wager on a daily basis, and it's my

1 money that's paying for that Breeders Fund and
2 that's paying for the purse account and paying for
3 the salaries of the Racing Commission. On that
4 basis, I think it is my business. So if the
5 Commission would indulge me, I'd like some answers
6 to those questions.

7 MR. REYNOLDS: Thank you. You may not get the
8 answers today, but I will take your comments under
9 advisement. I will say that the Commission does
10 review the budget very carefully with the VTA, and
11 they are very prudent about their budget.

12 I don't know if -- Jeb, would you like to make
13 any comments at this time, or just something we
14 will take under advisement?

15 MR. HANNUM: We also have the president of the
16 VTA here, so I will defer to Wayne and I'll
17 comment --

18 MR. REYNOLDS: That's only if you want to make
19 some comments today. Other than that, I'll take
20 that comment under advisement.

21 MR. HANNUM: We hired Debbie to do the job that
22 she is doing for us, and as a cost study method, we
23 have asked Easter Associates to take over the
24 bookkeeping. Some of the communication to our
25 office is less costly on a daily basis, so it works

1 very well and we've had very good results with
2 Easter Associates doing this job over the last
3 year. Very, very pleased with how that has gone.
4 It has been efficient.

5 we've done a major housecleaning. If that's
6 not clear to you, we'd certainly like to take time
7 with you to make that clear, because there's nobody
8 more important than the better in Virginia, so the
9 horses are right there with all of that, and we --
10 those books are certainly available, and we'd like
11 very much to resolve any questions, sir, you might
12 have. But there is no increase from this year to
13 last, and I thank you all.

14 MR. MILLER: Mr. Chairman.

15 MR. REYNOLDS: Yes, Mr. Commissioner.

16 MR. MILLER: I'm gonna suggest later on, we
17 don't have to debate it right now, but we need to
18 take a look at this whole process, the entire
19 industry, how the process works, where funds come
20 from and where funds go.

21 I would like for this gentleman to get together
22 after this meeting, if you all do not object, get
23 together with the executive secretary of the
24 Commission, give him your name, your address, and
25 those questions you raised in writing, so that we

1 can add that to our agenda relating to what I hope
2 will be an examination of entire Thoroughbred
3 racing, harness racing, pari-mutuel wagering
4 process in Virginia.

5 would you do that, sir?

6 MR. BERMAN: Yes, sir, and thank you for
7 indulging me.

8 MR. MILLER: Do you agree on that?

9 MR. REYNOLDS: Absolutely.

10 MR. MILLER: I mean because he just raises a
11 few questions. There are many more that we have to
12 address.

13 MR. REYNOLDS: Yes. Thank you, Mr.
14 Commissioner. With that, I would like to entertain
15 a motion to approve the Breeders Fund management
16 contract for 2015.

17 MS. DAWSON: So moved.

18 MR. REYNOLDS: Do I hear a second?

19 MR. STEGER: Second.

20 MR. REYNOLDS: Thank you. All those in favor,
21 say aye.

22 NOTE: The commissioners vote aye.

23 MR. REYNOLDS: Opposed? Hearing none, the
24 motion carries.

25 Mr. Hettel, the Virginia Gold Cup owner bonus.

1 MR. HETTEL: would you like to speak to that?
2 Anybody from Gold Cup?

3 DR. GRIFFIN: Yes.

4 MR. HETTEL: Any comment about that?

5 DR. GRIFFIN: Basically, it's just an
6 inducement for breeders of Virginia-bred horse
7 owners to run at pari-mutuel wagering opportunities
8 at the Virginia Gold Cup. But in the past, and
9 while it's a minimal amount, it certainly speaks to
10 our effort to encourage the native Virginia
11 breeding industry.

12 MR. HETTEL: Thank you, Doctor. I seek your
13 approval on that motion or on that expenditure.

14 MR. VAN CLIEF: Mr. Chairman, I'll move
15 approval of the \$50,000 as set forth for the
16 Virginia-bred bonuses at Gold Cup.

17 MR. REYNOLDS: Okay, and also on this motion is
18 \$190,000 to the Virginia Thoroughbred Association
19 for the administration of the Thoroughbred portion
20 of the Virginia Breeders fund.

21 MR. HETTEL: Right, and that is detailed in
22 your booklet with the draft budget. The budgets
23 are similar to last year with a couple changes.

24 MR. REYNOLDS: Okay. Do I hear a motion to
25 approve this?

1 MR. VAN CLIEF: I'll move it.

2 MR. REYNOLDS: Second?

3 MR. STEGER: Second.

4 MR. REYNOLDS: All those in favor, say aye.

5 NOTE: The commissioners vote aye.

6 MR. REYNOLDS: Those opposed?

7 NOTE: There is no response.

8 MR. REYNOLDS: Motion carries. Let's move on
9 to the advance deposit wagering report. Are there
10 four ADWs present here today? EZHorseplay? You
11 all are here? Is anybody from Twinspires here?
12 Anybody?

13 MR. HETTEL: Mr. Chairman, they called, and
14 here's what we can do, if you care to. We can have
15 an accounting from Dave Lermond. The question,
16 essentially, is EZHorseplay --

17 MR. REYNOLDS: Right. I wanted to see if the
18 other group were here.

19 MR. HETTEL: They've contacted us in terms of
20 presence. They are not here.

21 MR. REYNOLDS: ExpressBet?

22 MR. HETTEL: I talked to all of them this week.

23 MR. REYNOLDS: Okay. Well, I would like to ask
24 you all for a report on the status of each ADW
25 company's account and where they stand as far as

1 payment to horsemen, the Virginia Racing
2 Commission, the Breeders Fund, et cetera.

3 MR. LERMOND: I'd be happy, Mr. Chairman, to do
4 that for you. All four of the account wagering
5 companies have paid the Racing Commission to have
6 the percent they're supposed to; they paid the one
7 percent to Breeders Fund and they've paid the
8 harness horsemen.

9 The difference is that EZHorseplay has not paid
10 the Thoroughbred, the Virginia HBPA horsemen, their
11 five percent source market fee. The other three
12 companies have.

13 MR. REYNOLDS: Do you know how much they owe in
14 arrears?

15 MR. LERMOND: I do. If I include -- and it's
16 gonna go back to November 1st, which is the last
17 time that EZHorseplay paid the HBPA any source
18 market fee -- the five months, including and
19 through March 31st, the five percent amounts to
20 \$419,351.49.

21 MR. REYNOLDS: And everyone else is current?

22 MR. LERMOND: Everyone else is current.

23 MR. REYNOLDS: EZHorseplay still owes the
24 horsemen's group, the Virginia HBPA --

25 MR. LERMOND: For some reason, EZHorseplay

1 decided to pay the Harness Association their five
2 percent, but did not pay the Thoroughbred their
3 five percent for those five months.

4 MR. REYNOLDS: I would like to give an
5 opportunity to the representatives of EZHorseplay
6 to tell us why you all have not paid \$419,000 owed,
7 if you'd like to comment, but I'm sure there are
8 some questions from myself and the other
9 commissioners as well.

10 MR. WEINBERG: Thank you. I'm Jim Weinberg, on
11 behalf of Colonial Downs. If I may be clear, we
12 have paid the harness group. As you may know,
13 there is a contract in place with the harness group
14 and EZHorseplay that provides for the sharing of
15 revenue. There is not such a contract in place for
16 the Virginia Horsemen's Benevolent and Protective
17 Association; it terminated as of October 31st.

18 So the status of the VA HBPA as a recognized
19 majority horsemen's group -- and that is a term
20 that's used in the Racing Act -- conveys a special
21 legal status that benefits the group under the Act
22 and under the Interstate Horse Racing Act.

23 In similar circumstances where there are other
24 beneficial groups under the Racing Act, the
25 Commission through the Virginia Racing Act and its

1 regulations have very specific criteria and
2 requirement to convey that status.

3 For example, there are unlimited licenses,
4 there are licenses, there are permits, and you'll
5 see throughout the Act and the Commission's
6 regulations the means to acquire that status, but
7 nowhere in the Act, nowhere in the Commission's
8 regulations is a mechanism for conveying the
9 recognized majority horsemen's group status.

10 That is because it is contained in the
11 Interstate Horse Racing Act. It is identified
12 there as the group that the racetrack licensee must
13 secure the permission of to broadcast races
14 interstate.

15 It is also a requirement of that Act that the
16 same permission be granted from the group to import
17 the broadcast of races into a state.

18 In the past, there has been a contract between
19 Colonial Downs as the unlimited licensee and the
20 HBPA as the recognized majority Thoroughbred
21 horsemen's group.

22 But for that contract, there is no ability to
23 designate a Virginia Horsemen's Benevolent
24 Protective Association as the recognized majority
25 horsemen's group. That power, that identity lies

1 within the relationship of the racetrack licensee
2 and the horsemen.

3 That contract, the first of which came to an
4 end January of 2014, as you know. The second of
5 which came to an end as of the end of October.
6 There's no mechanism, there's no authority for the
7 Commission to designate a group as the majority
8 Thoroughbred horsemen's group. It's not in the
9 Virginia Racing Act, it's not in the regulations.

10 Moreover, as further evidence that the
11 Commission lacks that authority is the legislation
12 that recently passed the General Assembly and was
13 amended and will be voted on on the 15th, which
14 expressly identifies and defines the term
15 recognized majority horsemen's group and gives the
16 Commission express authority to recognize them.

17 So it's Colonial Downs' position that the
18 Commission doesn't have that authority, and much
19 like the unlimited licensee who used to receive
20 five percent but is no longer receiving five
21 percent of the source market fees because it
22 doesn't exist, neither does the recognized
23 Thoroughbred majority horsemen's group.

24 with all due respect, in the Commission's
25 meeting of December 12th, and correspondence on

1 December 30th, I believe this issue was going to be
2 addressed at a proceeding where it was designated
3 this was a topic of conversation.

4 We're happy to come and explain our position in
5 greater detail at such a hearing and would welcome
6 the Commission to schedule that hearing so we can
7 resolve this issue. Thank you.

8 MR. REYNOLDS: Are there any questions or
9 comments from the commissioners?

10 MR. MILLER: Mr. Chairman, certainly, any
11 entity that's required to part with funds due to
12 any regulatory activity is entitled to their,
13 quote, day in court, unquote.

14 The suggestion by Mr. Weinberg is timely. In
15 my opinion, I disagree with some of his assertions,
16 but that's why we have the Administrative Process
17 Act, and that's why we have courts. They are
18 entitled to their day in court.

19 I think from my perspective that they do owe
20 whatever Mr. Lermond, whatever that final figure
21 was for the time period involved, and if they
22 haven't paid it, then they did not meet the
23 conditions set forth in our meeting of
24 December 2014; and therefore, EZHorseplay has no
25 2015 license to operate in Virginia.

1 However, they've been operating January,
2 February -- I assume they've been operating up
3 until now without a license, but again, we have to
4 look at what they're dealing with.

5 Our action in December of 2014 was sort of
6 ambiguous as it applies to the people being
7 regulated. According to the conditions, the
8 executive secretary of this Commission, if the
9 conditions were not met by January 1st, that is
10 those payments hadn't been made, the horsemen and
11 all the other payments involved had not been made
12 by January 1st, 2015, the executive secretary of
13 this Commission was authorized to allow the
14 extension of their 2014 license until such time as
15 there was further action of this Commission.

16 I hate to belabor it. I talk too much and I
17 admit that. I'm sort of like Joe Biden in that
18 record, perhaps. May I shouldn't say all the
19 things I say. All this ties together, so trust me,
20 I'll get to the end of it.

21 Having done what we did in our December 2014
22 meeting, having set the conditions to be met by
23 January 1st of 2015, having a license or four
24 licenses dependent upon what action was taken on or
25 before January 1st, 2015 by the advanced deposit

1 waging firms, it was imperative, I thought, that
2 this Commission meet as soon after January 1st,
3 2015 as possible to address the issue, and I
4 expressed that, but we had no Commission meeting in
5 January. We should have had a meeting.

6 That's water under the bridge, as they say, but
7 this Commission should have met in January of 2015,
8 but on advice from certain quarters, we were told
9 not to meet. We were advised that we shouldn't
10 meet.

11 Well, we should have met. That's our
12 determination. We should have made that
13 determination. We should have met, we should have
14 advised Mr. Weinberg's concerns, and I'm sure the
15 other three companies had concerns also, but we
16 didn't meet.

17 So here we are today. They've operated. Now
18 it's very complicated to go back and undo what has
19 been done. And to assert that they've operated
20 without a license, well, they have operated with
21 sort of a license, because of the situation we put
22 them in.

23 So with that background, I certainly think that
24 we need to set up a hearing to address this
25 specific issue and any other issues that not only

1 EZHorseplay may have, but issues that the other
2 three advanced deposit wagering firms may have
3 concerning the actions taken by this Commission in
4 December of 2014 at our meeting.

5 So if this is the proper time to do it, I move
6 that we adhere to the request of Mr. Weinberg and
7 set a hearing specifically for the purposes, number
8 one, of addressing the specific issue of payment or
9 nonpayment or responsibility for payment of
10 EZHorseplay to the recognized horsemen's group.

11 But in case any other issue comes up ancillary
12 to that, either from EZHorseplay or the other
13 three, that we address any other issue that any of
14 the other three advanced deposit wagering firms may
15 wish to make, relative to the responsibility for
16 these payments under the Act.

17 Is that clear enough?

18 MR. REYNOLDS: Yeah. Mr. Commissioner, what
19 I'd like to do, since we're gonna have a hearing
20 and there's pending litigation, before we make the
21 motion, I would like to, on the advice of counsel,
22 go into closed section and discuss this.

23 MR. MILLER: That's fine. But anyway, you know
24 where I stand anyway.

25 MR. LAWS: I'll read the following motion that

1 the Commission can choose to make and second to go
2 into closed session.

3 Quote, in accordance with the provisions of
4 Section 2.2-3711A7 of the Code of Virginia, I move
5 that the Commission go into closed meeting for the
6 purpose of consultation with legal counsel and
7 briefings by staff members or consultants
8 pertaining to actual or probable litigation, where
9 such consultation or briefing in open meeting would
10 adversely affect the negotiating or litigating
11 posture of the public body, and consultation with
12 legal counsel employed or retained by public body
13 regarding specific legal matters requiring
14 provision of legal advice by such counsel
15 concerning Colonial Downs' request for a hearing
16 and Commissioner Miller's motion, end quote.

17 Mr. Chairman, is there a motion to reflect to
18 go into closed session?

19 MR. VAN CLIEF: So moved.

20 MR. GEIGER: Excuse me. I'd like to ask a
21 question, Commissioner Reynolds. Is there actual
22 litigation filed?

23 MR. REYNOLDS: No.

24 MR. GEIGER: Then I would like to object. I'm
25 Jacob Geiger from Richmond Times-Dispatch, and on

1 behalf of them would like to object to move to
2 closed session and ask that the meeting remain in
3 open session.

4 MR. LAWS: The statute says actual and probable
5 litigation, so it's not required that actual
6 litigation be currently in effect.

7 MR. REYNOLDS: All right. Well, thank you, but
8 we will respectfully disagree.

9 Do I hear a second? I move that we go into
10 closed session.

11 MR. MILLER: Mr. Chairman?

12 MR. REYNOLDS: Yes, sir.

13 MR. MILLER: Could I suggest something?

14 MR. REYNOLDS: Yes, sir.

15 MR. MILLER: There's a lot of people attending
16 the meeting here today on other matters. Could we
17 defer going into the closed session and further
18 discussing Item Four on the agenda relating to
19 advanced deposit wagering until we've completed
20 some more of the agenda?

21 MR. REYNOLDS: Yes.

22 MR. MILLER: Some folks may not want to stick
23 around while we go into closed session.

24 MR. REYNOLDS: I think that's very fair.
25 Besides going into closed session, is there

1 anything else on the ADW report? That's it for the
2 ADW report?

3 MR. LERMOND: Yes, sir.

4 MR. REYNOLDS: All right. Let's move on to
5 stakeholder comments. First, the Virginia Gold
6 Cup.

7 DR. GRIFFIN: Yes. We would request approval
8 for our officials, and also request to allow
9 pari-mutuel wagering on Friday evening. There's an
10 event at the Virginia Gold Cup site, the grounds,
11 that actually is a pre-party event, if you will.

12 This year, we're actually honoring several of
13 our legislative delegates and a state senator who
14 have been very helpful with our efforts, so we'd
15 like the opportunity to be able to wager, to at
16 least have our machines available the night before
17 our Gold Cup races.

18 MR. REYNOLDS: Okay. This is something you all
19 did last year; is that correct?

20 DR. GRIFFIN: Yes. We did.

21 MR. REYNOLDS: Before I make a motion, are
22 there any commissioner questions or comments?
23 Hearing none, I'd like to make a motion to approve
24 the Virginia Gold Cup Association and give them
25 permission to offer wagering on the Kentucky Derby

1 on Friday, May 1st, along with the Virginia Gold
2 Cup race scheduled for May 2nd, 2015. Do I hear a
3 second?

4 MR. MILLER: Second.

5 MR. REYNOLDS: All those in favor, say aye.

6 NOTE: The commissioners vote aye.

7 MR. REYNOLDS: The motion carries.

8 I'd also like to make a motion -- have the
9 commissioners had a chance to review the slate of
10 race officials for the 2015 Gold Cup? Are there
11 any questions?

12 MR. MILLER: I move we approve them.

13 MR. REYNOLDS: Okay. Do I hear a second?

14 MS. DAWSON: Second.

15 MR. REYNOLDS: All in favor, say aye.

16 NOTE: The commissioners vote aye.

17 MR. REYNOLDS: The motion carries. The
18 Virginia Equine Alliance.

19 MR. HANNUM: Thank you, Mr. Chairman and
20 Commissioners. I appreciate the opportunity to
21 talk about the Virginia Equine Alliance.

22 It has been a couple of months since I've given
23 a report, and I thought it might be helpful just to
24 review what I wanted to talk about, and for the
25 sake of our new commissioner, I thought it would be

1 useful, perhaps, to briefly touch base, remind
2 everyone why we formed the Equine Alliance, and
3 then I wanted to talk about the legislative package
4 that we put forward as a compromise with Colonial
5 Downs, and then talk about some of the new sites
6 that we're looking at for racing. So I'll speak
7 for a few minutes, if that's okay, Mr. Chairman.

8 MR. REYNOLDS: Please.

9 MR. HANNUM: I'm Jeb Hannum. I'm executive
10 director of the Virginia Equine Alliance. Before
11 coming to Virginia, I was a racing commissioner in
12 Pennsylvania, and I ran the Pennsylvania Horse
13 Breeders Association. I was asked to help with
14 Virginia Equine Alliance last year, and have had
15 the opportunity to speak before the Commission.

16 As we all remember, last year in October,
17 Colonial Downs voluntarily surrendered their
18 license to operate. Shortly thereafter, the
19 Virginia Equine Alliance was formalized as a
20 nonprofit 501(C)(6) Virginia corporation.

21 The Alliance, it's goals are to promote,
22 sustain and grow the Virginia racing industry, and
23 there are a couple of representatives from the
24 Alliance today that I want to point out.

25 Mr. Wayne Chatfield-Taylor, Dr. Al Griffin,

1 Mr. Mike Pearson and Dr. Charlie Dunavant. So this
2 organization represents all of the horsemen and
3 breeders in Virginia, up and down the state. So
4 the flat racing, the harness racing and steeple
5 chase community and breeders are all represented by
6 this alliance.

7 So the group is vested in Virginia and in doing
8 what's best for Virginia's horsemen, for the
9 agricultural community and all of the associated
10 benefits of having a strong and growing racing
11 industry.

12 As you know, we had a legislative package that
13 we had in the previous session. We had some
14 differences with Colonial Downs. They had a
15 legislative package as well to make some changes to
16 the Racing Act. The House and Senate leaders
17 implored us to try to come to some sort of
18 compromise, and we did that.

19 So it's important to point out that the
20 legislation that was passed by the House and Senate
21 overwhelmingly was comprised legislation with
22 Colonial Downs, and I'd just like to point out a
23 couple of the key changes to the legislation.

24 The first being, as Mr. Weinberg acknowledged
25 in his comments, the first point is that it would

1 be stronger language to clarify the horsemen's
2 group's authority that is granted to the
3 Commission. The second point is language is added
4 to the legislation, which is called the significant
5 infrastructure facility licensee. So this language
6 essentially describes Colonial Downs.

7 Third point is that the horsemen, the Virginia
8 Thoroughbred Association, the Equine Alliance, will
9 now be required to produce annual financial audits,
10 which perhaps, you know, address some of the issues
11 that Commissioner Miller just commented on.

12 The OTBS remain tied to the significant
13 infrastructure facility licensee, which is Colonial
14 Downs.

15 Another point, flat, harness, and steeple chase
16 racing can now operate under the 14-day license, if
17 the owner or the operator of the facility is a
18 501(C)(3) or (4).

19 Then lastly, there was a reallocation of the
20 ADW money. So the online wagering money that is
21 conducted by Virginians. So the breeders will
22 receive one percent, which is not a change. The
23 Commission, importantly, will now receive 1.5
24 percent of ADW money, which we felt was very
25 important to ensure that the Commission is

1 adequately funded. This will be about \$400,000 in
2 additional operating funds for the Commission based
3 on this increase from a half percent to 1.5
4 percent.

5 Five percent will remain going to the horsemen
6 for purses, and then the most significant change is
7 that it will be now four percent to the nonprofit
8 industry stakeholder group, which will go to
9 support, sustain and grow racing in Virginia.

10 And then of that four percent, a portion will
11 go to the veterinary school, the horse foundation,
12 the horse industry board, the Virginia Thoroughbred
13 Association, and also a portion of that four
14 percent will go to New Kent County up until 2020,
15 and then after 2020, a portion of the four percent
16 will be divided among the localities that conduct
17 racing.

18 So that's just a quick sort of highlight of the
19 significant changes. I can talk about any of those
20 in more detail now or in a follow-up meeting, but I
21 just wanted to capture the main changes.

22 In terms of the next step for the Virginia
23 Equine Alliance, I just wanted to officially let
24 you know, and so it is reflected in the minutes,
25 that once the legislation is signed and we will be

1 seeking formal recognition from the Commission as
2 the nonprofit industry stakeholder group. So I
3 just wanted to let you know that would be
4 happening, and we will work through Mr. Hettel or
5 however you'd like us to, to formally do that in
6 the way that you'd like us to do it. So thank you
7 for that consideration.

8 MR. MILLER: Mr. Chairman?

9 MR. REYNOLDS: Yes, sir.

10 MR. MILLER: I have a question.

11 MR. REYNOLDS: Yes, sir.

12 MR. MILLER: You said once the legislation is
13 signed. You mean once July 1st, 2015 comes about?

14 MR. HANNUM: well, we will handle it in any
15 fashion that you want, but we would --

16 MR. MILLER: No, no, no. You misunderstand or
17 you don't realize what I'm asking. The legislation
18 that was passed during the 2015 session cannot and
19 will not go into effect until July 1st, 2015. Do
20 you understand that?

21 MR. HANNUM: Yes, sir.

22 MR. MILLER: Okay. Can you tell me why or --
23 and plus, you describe the legislation as it passed
24 the General Assembly. As I understand, only from
25 reading the paper by the way, as I understand it,

1 there's a proposed amendment to that legislation
2 being proposed by the office of the governor.

3 MR. HANNUM: Yes, sir.

4 MR. MILLER: Is that correct?

5 MR. HANNUM: Yes.

6 MR. MILLER: would you explain that, please?

7 That amendment.

8 MR. HANNUM: So the compromised legislation
9 didn't pass the House and the Senate, and then the
10 governor's office has proposed an amendment which
11 would enable the OTBs to be opened by a nonprofit
12 industry stakeholder group, if Colonial Downs does
13 not reapply for their license.

14 So right now in the legislation, the OTB
15 network is tied to Colonial Downs, the significant
16 infrastructure licensee.

17 MR. MILLER: Well, not Colonial Downs. It's
18 tied to a perspective infrastructure licensee,
19 which probably would be Colonial Downs, so let's
20 get it correct for the record.

21 MR. HANNUM: So in the event that the
22 significant infrastructure licensee -- well, in the
23 event that there is no significant infrastructure
24 licensee, the OTBs would not reopen under the
25 legislation that is passed by the House and the

1 Senate.

2 So the governor's amendment simply addresses
3 that by saying if there is significant
4 infrastructure licensees to open the OTBs, it would
5 give the ability to a nonprofit group to open and
6 operate those OTBs, only in the event that this
7 significant infrastructure licensee does not exist.

8 MR. MILLER: Okay. Do you happen to have a
9 copy of that amendment with you that someone could
10 provide? Maybe the Commission has it. I don't. I
11 learned about it in the newspaper, thanks to the
12 Richmond Times-Dispatch.

13 MR. HANNUM: Yes, sir. I have it.

14 MR. MILLER: Has anyone provided the executive
15 secretary of this Commission or the chairman of
16 this Commission with the exact wording of that
17 amendment?

18 MR. HANNUM: It is my understanding that
19 Mr. Hettel has been provided with that language.

20 MR. MILLER: Hold on a minute. Mr. Hettel, is
21 that correct?

22 MR. HETTEL: Not by the governor's office. No,
23 sir. I read it out of the newspaper like you.

24 MR. MILLER: Okay. Would it be too much to ask
25 that that amendment, the exact wording of the

1 proposed governor's amendment to the legislation be
2 provided to this Commission, which is charged with
3 the oversight of Thoroughbred racing and harness
4 racing in Virginia? Could you do that?

5 MR. HANNUM: Yes, sir. I have a copy at the
6 table.

7 MR. MILLER: All right. If you could do that.
8 Plus, could you state for the record who requested
9 that amendment?

10 MR. HANNUM: The Virginia Equine Alliance did.

11 MR. MILLER: Thank you.

12 MR. REYNOLDS: Okay.

13 MR. HANNUM: Are there any further questions,
14 sir?

15 MR. MILLER: Well, I may, but not right now.

16 MR. HANNUM: Okay. So I think we've addressed
17 the amendment.

18 Moving forward, one of the things that the
19 Equine Alliance has been working very hard on over
20 the past couple of months is to locate additional
21 sites for harness racing and for flat racing going
22 forward, in that reopening of Colonial Downs has
23 remained an uncertainty.

24 So we are pleased to announce here before the
25 Commission that after a tour of the Oak Ridge

1 racetrack in Nelson County, which has a wonderful
2 facility for harness racing, flat racing and
3 steeple chase racing, which has unfortunately not
4 had any racing for a number of years, we had a tour
5 down there.

6 The family that owns the racetrack is excited
7 to have racing resume, and we have sort of an
8 agreement in principle that there would be four
9 days of harness racing in October of this year, and
10 Dr. Dunavant can speak to that a little bit more,
11 but I think that's an exciting development for the
12 harness racing community.

13 Oak Ridge also has a wonderful turf course, but
14 it hasn't been maintained such that we could have
15 racing there this year, but we're gonna be looking
16 to have it reseeded and have improvements made, so
17 we can hopefully have racing at Oak Ridge on their
18 turf course as soon as next year.

19 So we literally have had a turf specialist come
20 down, we've had soil samples taken, and look to get
21 that going as soon as possible.

22 Woodstock is another site for harness racing,
23 which Dr. Dunavant may comment on, and in terms of
24 the flat racing, the Virginia Gold Cup may hold
25 additional flat races this year.

1 we are speaking to Morvin Park about using that
2 facility, and there are a number of sites that are
3 privately owned -- so I can't acknowledge them
4 right now -- throughout the state where we're
5 looking to have flat racing.

6 So we have a number of possibilities, which
7 I'll report back to the Commission about as soon as
8 we are further along like we are with Oak Ridge. I
9 think Oak Ridge is an exciting development, and
10 that I think there may be some representatives of
11 the family here today as well.

12 So that really concludes my report. Just to
13 reiterate that the Alliance is committed to growing
14 and sustaining racing throughout the entire state
15 for Virginians, and we look forward to working with
16 the Commission and we will follow up on any points
17 as you've requested. So thank you very much.

18 MR. REYNOLDS: Jeb, I believe there are some
19 commissioner questions.

20 MR. HANNUM: Yes.

21 MR. VAN CLIEF: Can we go back to the statement
22 you made a few minutes ago with regards to the
23 request you anticipate for this Commission to, in
24 essence, sanction or recognize the VEA. I want to
25 make sure I'm clear on what are you're gonna be

1 asking.

2 MR. HANNUM: Yeah.

3 MR. VAN CLIEF: Are you asking us, or will you
4 be asking us to simply recognize the official
5 stature of your organization as a racing breeding
6 organization within the state of Virginia? Are you
7 gonna be asking us to recognize you as the
8 officially designated representative horsemen's
9 group currently occupied by HBPA?

10 MR. HANNUM: No. Good question. No. We are
11 not a horsemen's group, so in the legislation that
12 passed the House and the Senate, it doesn't name
13 the Virginia Equine Alliance by name. It says the
14 nonprofit industry stakeholder group to support,
15 sustain and advance racing in Virginia, et cetera.

16 Then the legislation goes on to say that four
17 percent of online wagering will go to the nonprofit
18 industry stakeholder group, et cetera. We, the
19 Virginia Equine Alliance, will be seeking formal
20 recognition to be that group. Not the horseman's
21 group.

22 MR. REYNOLDS: What will you all do with the
23 four percent?

24 MR. HANNUM: Well, we'll be using that to
25 develop new sites in the state. A very good

1 example with Oak Ridge. There is a very nice
2 racing facility, and it literally has not had any
3 activity for ten years, so to make the improvements
4 necessary such that it can be a safe and viable
5 racing site going forward, it will need significant
6 investment, and so it is our hope that those funds
7 would go to improving Oak Ridge.

8 Importantly, the legislation is very clear; no
9 money can be spent by the nonprofit industry
10 stakeholder group, unless it's approved by the
11 Commission.

12 So as this is a new entity that has been
13 created, we will have to establish procedures for
14 any type of expenditure presented to you all, and
15 you have the opportunity to review it, and we will
16 be making the request for expenditures, and you all
17 will have the final say. So the group will not be
18 able to spend any money, unless the Commission
19 approves it.

20 MR. REYNOLDS: Yes.

21 MR. VAN CLIEF: I'd just like to make a
22 comment. I think I said this before, but I wanted
23 to reiterate it. Again, I think the VEA is one of
24 the most positive developments we've seen in the
25 past couple years, and I congratulate you on

1 getting out of the gate in a hurry and getting done
2 what you've gotten done.

3 But apropos of Commissioner Miller's comments
4 and statement and question on the sort of late
5 arrival of the latest legislative initiative as far
6 as we're concerned, at least on our desks, could I
7 suggest that perhaps, Jeb, you get in touch with
8 Bernie and let's set up some meetings for regular
9 communication between VEA and the Commission, so
10 that we're up to speed all the time on what's going
11 on?

12 MR. HANNUM: Absolutely. We made a concerted
13 effort to have Mr. Hettel in the loop as much as we
14 felt it appropriate, and so we will do anything you
15 request, and we'll ramp that up, and we look
16 forward to that dialogue. So thank you.

17 MR. VAN CLIEF: Thank you.

18 MR. REYNOLDS: Any other questions or comments?
19 Thank you.

20 MR. HANNUM: Thank you very much.

21 MR. REYNOLDS: Dr. Dunavant, do you have a
22 report?

23 DR. DUNAVANT: Yes. Just to kind of reiterate
24 what Jeb was talking about. On March 26th, VEA and
25 the VHHA met up at Oak Ridge plantation with

1 Heather Goodwin and her mother, and we tentatively
2 agreed on racing, two weekends of racing in
3 October of 2015. We last raced there 14 years ago.
4 We had three weekends of racing at Oak Ridge, and
5 it was very positive, and we really look forward to
6 working with Ms. Goodwin, and the VEA is going to
7 do the infrastructure of the actual racing, and
8 Ms. Goodwin has sent us some tentative things. We
9 are in the planning stages, but it looks very
10 positive.

11 Of course the VHHA wants to have as much
12 harness racing in the state as we can, wherever we
13 can.

14 I was in touch with Mr. Keebler up from the
15 Woodstock fair. They are planning to have one day
16 of harness racing in June at a wine festival there.
17 Last year, they had one. The VHHA provides purses
18 for the racing there and at the Woodstock fair.
19 The last ten or 15 years, the VHHA has provided all
20 the purse money for that.

21 I haven't discussed it with them. I hear
22 through the grapevine that they may be interested
23 in acquiring a limited pari-mutuel license. I
24 don't know if they want -- normally, they race
25 about four days at the fair. I believe that's

1 correct.

2 MR. MILLER: Correct.

3 DR. DUNAVANT: About four days, and of course,
4 we've always supported that.

5 we look forward to having some racing here in
6 2015, and obviously, we're interested if we could
7 find somebody to think about building a harness
8 track somewhere, we certainly would like to work
9 with them and welcome that. That's about all I
10 have to report.

11 MR. REYNOLDS: Thank you. Any questions from
12 the commissioners? Thank you, Dr. Dunavant.

13 MS. NIXON, do you have a report on the Virginia
14 HBPA?

15 MS. NIXON: Yes. I just wanted to reiterate
16 the comment Mr. Lermond made earlier, that the
17 statutory five percent source market fee that
18 EZHorseplay owes the HBPA has not been paid, and
19 like he stated today, the total unpaid for November
20 through March is \$419,351.

21 MR. REYNOLDS: Okay. Is that it?

22 MS. NIXON: That's it.

23 MR. REYNOLDS: Thank you. Any questions?
24 Thank you, Ms. Nixon.

25 Now we'll move on to commissioner comments.

1 Does any commissioner have a comment at this time
2 or maybe prefer to hold until later in the meeting?

3 MR. MILLER: Mr. Chairman, before we go into
4 closed session, I assume that's the next thing.

5 MR. REYNOLDS: I'm gonna hear from the public.

6 MR. MILLER: Okay. Could I suggest we hear
7 from the public, and then we have commissioners'
8 comments?

9 MR. REYNOLDS: Absolutely, and I'll switch that
10 on the agenda in the future. Thank you.

11 This is the opportunity to hear from the public
12 to speak now. I would remind you, anybody who
13 wishes to speak, the limit is five minutes, please.
14 Yes, sir. As you speak -- please, sir.

15 GENERAL PUBLIC: I've been a member of the
16 Virginia Harness Horsemen's Association and on the
17 Board of Directors for approximately 20 years and
18 currently have been the vice president.

19 There's been a major shift in the Virginia
20 Harness Horsemen's Association in their focus, and
21 they are now focused on breeding in the industry,
22 which is important, but unfortunately, we've come
23 to a disagreement as to the importance of over
24 night racing.

25 Because of that, we've set up a new

1 organization. It is a 501(C)(3) corporation. It
2 has been licensed in the state of Virginia since
3 the 1990s. It was a horseman's organization
4 focused on the drivers in the industry.

5 We are currently working with a lawyer to
6 expand the mission to represent all the horsemen in
7 the state, which would include the breeders, the
8 owners, the drivers, the trainers, and the grooms
9 that work with the horses every day.

10 Our focus is to maintain the balance between
11 the breeding and racing end of harness racing in
12 the state, recognizing that without over night
13 racing, I think we believe breeding cannot be
14 successful.

15 We have a fundamental difference with Dr.
16 Dunavant's board, and there's nothing personal.
17 I'm a good friend of Dr. Dunavant, will remain so,
18 but under the new bill that has been proposed and
19 may come into effect July 1, the Commission is
20 asked to recognize the majority horsemen's group.

21 We currently have 70 people enrolled in the
22 last two weeks. These are people who have raced in
23 Virginia. They have been licensed in Virginia
24 within the last five years, who have an interest in
25 Virginia racing.

1 At this point, having spoken to Iain Woolnough
2 last night, there were 12 members of the Virginia
3 Harness Horsemen's Association.

4 So going forward, I'd like to ask the
5 Commission to find a mechanism to recognize the
6 majority legitimate horsemen's organization. And
7 again, we're looking at people who have raced here,
8 who have been licensed here, and who have a
9 legitimate interest in maintaining racing in
10 Virginia. Now, I'm willing to meet with the
11 Commission representatives and set up a mechanism
12 for that recognition. Thank you.

13 MR. REYNOLDS: Okay. Thank you very much.

14 GENERAL PUBLIC: Yes, sir.

15 MR. GUIDROZ: Good morning, Commissioners. My
16 name is Stan Guidroz, and I'm the president for
17 Colonial Downs and vice president of regional
18 operations for Jacobs Entertainment.

19 Colonial Downs has closed today its account
20 wagering provider, EZHorseplay. In its remaining
21 Richmond, Hampton and Chesapeake account wagering
22 centers, we have informed the remaining employees,
23 other than those that would be required to maintain
24 to keep up the facilities, that effective
25 immediately, they will be laid off.

1 Pending legislation requires Colonial Downs to
2 obtain a limited license in order to benefit and
3 keep the proceeds from the account wagering
4 company, EZHorseplay, which offsets our operating
5 costs.

6 The license application should include a
7 contract with the horsemen's group detailing the
8 race days for the year. Without a license,
9 EZHorseplay will be in the same condition that the
10 satellite wagering facilities were put in last
11 year, which is negative cash flow.

12 There are two paths to a limited license; with
13 the VHBPA or with another horsemen's group that
14 shares our vision for high-end racing in New Kent
15 County. Neither of those two options are available
16 to Colonial Downs right now.

17 We have proposed potential terms to the VEA and
18 the VHBPA, and we are unable to come to any
19 agreement that includes a path to a license. We
20 have gone our separate ways and we wish them well
21 in their goals and in their efforts.

22 Colonial Downs remains focused on high-end
23 racing that will create a viable economic model for
24 the future. We do not consider high-end racing and
25 summer racing to be mutually exclusive.

1 Colonial Downs is now in an indefinite holding
2 pattern to work with the Commission to allow us to
3 enter into a contract with another horsemen's group
4 who share our vision for high-end racing in New
5 Kent County, Virginia. Thank you.

6 MR. REYNOLDS: Thank you very much. Just a
7 second, please. Yes, sir. In the back.

8 MR. LUNDING: I'm Peter Lunding; I live in New
9 Kent County. I'm a horse player. It seems to me
10 that -- I'm just making this comment generally. It
11 seems to me the big issue here, it has been for the
12 Commission, it has been the issue with Colonial
13 Downs is the definition of the recognized majority
14 horsemen's group.

15 As I understand it from the legislation that is
16 going to be, I guess finally approved after the
17 governor's amendment, the Commission now has that
18 authority as of July of 2015 to make that
19 appointment.

20 It seems like some of the issues at Colonial
21 Downs could be resolved if somehow either you go
22 back to the governor to get that amendment to
23 include an additional amendment, that you have that
24 authority retroactive to October of 2014. But then
25 you could appoint the recognized majority

1 horsemen's group, resolve the issue with Colonial
2 Downs, and of course good care and consideration
3 has to be made by the Commission as to what group
4 that is, and that's obviously your discretion.

5 But it seems to me that seems to be one of the
6 biggest issues here, and I think the Commission has
7 it in its power to resolve it, and without
8 litigation, without very much further difficulty.
9 That's my only comment. Thank you.

10 MR. BERMAN: Thank you for recognizing me
11 again. In an article published to the Thoroughbred
12 Daily News recently, Timothy O'Keefe, president of
13 the Maryland Thoroughbred Horsemen's Association,
14 discussed the possibility of a racing circuit with
15 Maryland, Delaware, Virginia, and he's quoted in
16 that article as -- it's a direct quote. Whatever
17 Virginia -- whether Virginia runs their dates here
18 at Laurel or we figure out a different scenario,
19 we've got actually a tentative circuit that we've
20 worked out without overlapping dates.

21 I know last year, the VHBPA took \$300,000 of
22 purse money from Virginia to Maryland, and the
23 breeders also contributed \$60,000. I will say that
24 they came and asked for approval from the
25 Commission after the fact, and they took that money

1 to Maryland and they ran a day's worth of state
2 races. Virginia received no economic benefit from
3 that.

4 In regard to more money being generated for
5 purses, the Virginia Horse Center received nothing
6 as mandated by our legislature.

7 Dr. Stager, I know that you were president of
8 Virginia Tech and the vet center for Virginia Tech
9 received nothing that they would normally receive
10 if the live racing was here in VA. In addition
11 to New Kent County, the location, the locality
12 wherever the racing is conducted.

13 I'm not sure if Mr. Petramalo is here, but
14 maybe he could answer it. This would indicate to
15 me somebody here in Virginia is in talks discussing
16 the possibility of taking more money out of
17 Virginia and running more races out-of-state, and
18 if they're gonna run, go up there and run our race
19 dates, we're not talking \$306,000. We're talking
20 millions.

21 Like I said, we're not gonna receive any
22 economic benefit from that. Most of that money is
23 gonna be won by horses out of state anyway.

24 When racing was approved and the citizens of
25 Virginia like me voted to approve it, we were led

1 to believe we were voting to use the money
2 generated by wagering to support live racing here
3 in Virginia.

4 That money you used in Maryland instead to
5 support their racing program, and I don't believe
6 for a minute that if that had been disclosed to us
7 when that bill was put up for approval in 1988,
8 that we would have voted to pass it if we knew that
9 money was being taken out of state.

10 we could have just continued to drive to
11 Maryland like we had four years ago, watch races,
12 and we wouldn't have had to have a pari-mutuel
13 built here in Virginia.

14 In the past, Colonial Downs and the horsemen
15 spent the money they received for things like
16 purses and the Breeders Fund and the Benevolence
17 Fund. That bothers me.

18 I did extensive research on that, and I found a
19 lot of money that was supposed to be used for
20 benevolence was used for other purposes, not
21 benevolence. They spend it like it belongs to them
22 in reality, when in reality, they are only the
23 custodians of these funds, and they're ultimately
24 responsible to the people of Virginia for how this
25 money is being spent.

1 So in the future, I would respectfully request
2 that audits are performed on all these funds and
3 made available to the members of the general public
4 like me, so that we can be assured that these
5 monies are being used as they are intended, because
6 at this point in time after 20 years, many citizens
7 like me just don't feel like we're getting our
8 money's worth.

9 with that, I'll conclude. Thank you.

10 MR. REYNOLDS: Thank you for your comments.

11 MR. CHATFIELD-TAYLOR: I'd like to address some
12 of that. Those stakes that were run in Maryland
13 last year, and by the way, certainly, they welcome
14 all these Virginia horses that came over there, but
15 those funds were distributed to Virginia-bred
16 horses. That was the whole point of having these
17 Virginia races.

18 I'm a breeder. These horses get older by the
19 day. This thing has gone on so long here in
20 Virginia, didn't look like there was gonna be any
21 window of opportunity from anybody with
22 Virginia-breds to run. That was a fall-back.

23 Long before we had racing in Virginia, Delaware
24 Park ran some of those races. They ran a race for
25 Virginia-breds, and it was a two (inaudible) race.

1 It was important for us to even have these things
2 in Virginia.

3 we're all trying to -- breeders of race horses
4 were looking for places to run. Virginia-breds
5 have a hard time finding a place to do that.

6 we're rebuilding a system here, I think that
7 has gotten broken here in Virginia. I think we're
8 off on a decent start. I have not seen money get
9 used or taken away from places that it should be.

10 I would like to see -- what works best is we
11 need a lot of days of racing in Virginia. It is
12 just that simple. You cannot have breed race
13 horses in Virginia and expect to be able to
14 function with a six-day meet, which is where we
15 last came to an impasse with Colonial Downs. It
16 just plain doesn't work.

17 The shipping down to Colonial Downs is \$1,000
18 just to turn around down there to bring a horse
19 down there, and that meet was last proposed to be
20 just a shippers' only meet, not even being able to
21 stable there. The beauty of Colonial, if it were
22 used, it's a training center also. It's set up to
23 be able to do that. That didn't happen in this
24 case.

25 So the time -- the clock keeps ticking in terms

1 of these horses are getting older by the day. You
2 have a two-year-old race, you've gotta race
3 somewhere. It was very nice that our neighbors in
4 Maryland let us do this.

5 We aspire to have a circuit that involves
6 Virginia, Maryland, Delaware, Pennsylvania and West
7 Virginia, and that's a very smart idea, I think, so
8 that these states are not running the same race
9 against each other, and then nobody has a full
10 field.

11 If we can get a central office going, which is
12 a really good idea, to take this so we can all
13 cooperate together, everybody is a winner.

14 Those horses will run, the fields will be full,
15 the better will have a good meal, the horses will
16 have an opportunity. We've got to get out of this
17 it's my pyramid, I'm not gonna let anybody else in
18 it. That does not work here anymore. It just
19 doesn't work.

20 So I don't see people stuffing money in their
21 pockets and not coming back to Virginia. We are
22 trying to get somewhere with the situation we have,
23 and I think it's a pretty interesting time to
24 redefine racing. The monopoly did not work here.
25 That's what is broken and that's what is no longer

1 here.

2 That is what is being disputed, I think, is
3 that Colonial lost something. We want Colonial to
4 be a component in this racing, and we hope that
5 happens. We welcome that to be the case, but it
6 can't be the one that is calling the shots
7 everywhere else.

8 MR. REYNOLDS: Thank you.

9 MR. BERMAN: Can I respond to that for just a
10 moment?

11 MR. REYNOLDS: No. No. You had your five
12 minutes. We'll all be around after the end of this
13 meeting if you want to chat further.

14 Anymore public comments? Okay. Hearing none,
15 I think we'd like to go into closed session and
16 discuss the probable litigation. Do want to you
17 read the motion?

18 MR. LAWS: Sure. I'll site that there are a
19 few reasons for going into closed session. Quote,
20 in accordance with the provisions of Section
21 2.2-3711A7 of the code of Virginia, I move that the
22 Commission go into closed meeting for the purpose
23 of consultation with legal counsel and briefings by
24 staff members or consultants pertaining to actual
25 or probable litigation, where such consultation or

1 briefing in open will adversely affect the
2 negotiating or litigating posture of the public
3 body and consultation with legal counsel employed
4 or retained by the Virginia Racing Commission
5 regarding specific legal matters requiring
6 provision of legal advice by such counsel
7 concerning the request by Colonial Downs to have a
8 hearing set, and the comments by Commissioner
9 Miller here this morning. The commissioners will
10 only ask counsel questions and will not need
11 deliberation on any other activity, end quote.

12 So that's -- if someone would like to make that
13 motion and second it, the motion?

14 MR. VAN CLIEF: I'll make the motion.

15 DR. STEGER: Second.

16 MR. LAWS: All those in favor, say aye.

17 NOTE: The commissioners vote aye.

18 MR. LAWS: Did every commissioner say aye?

19 MR. REYNOLDS: Any opposed? Okay. We're in
20 closed session. We'll be back as quickly as we
21 can.

22 NOTE: There is a recess from 11:17 a.m.
23 until 11:39 a.m.; thereafter, the meeting continues
24 as follows:

25 MR. LAWS: At this point, I'll ask the

1 Commission if they'd like to move and second the
2 following statement.

3 whereas the Virginia Racing Commission has
4 convened a closed meeting on this day, pursuant to
5 the affirmative recorded vote, and in accordance
6 with the provisions of the Virginia Freedom of
7 Information Act, and whereas Section 2.2-3712 of
8 the Code of Virginia requires a certification by
9 this Commission that such closed meeting was
10 conducted according to Virginia law, now therefore
11 be it resolved that the Virginia Racing Commission
12 certifies that to the best of each member's
13 knowledge, only public business matters lawfully
14 exempted from open meeting requirements under the
15 Virginia Freedom of Information Act, and only such
16 public business matters as were identified in the
17 motion were heard, discussed or considered by the
18 Commission in the closed meeting.

19 Chairman Reynolds, do you move to adopt that
20 motion?

21 MR. REYNOLDS: I will make that motion. Do I
22 hear a second?

23 MR. VAN CLIEF: Second.

24 MR. REYNOLDS: All those in favor, say aye.

25 NOTE: The commissioners vote aye.

1 MR. REYNOLDS: All those opposed? Hearing
2 none, the motion passes.

3 MR. LAWS: Mr. Chairman, I'll read the
4 following resolution for the Commission to consider
5 to move into, second and adopt.

6 Upon the request of Colonial Downs and
7 EZHorseplay, the Commission instructs the executive
8 secretary of the Virginia Racing Commission, in
9 consultation with the office of the Attorney
10 General, to issue a notice for a hearing to
11 determine whether or not Colonial Downs and
12 EZHorseplay has complied with the statute
13 regulations and conditions of the Virginia
14 Employment Commission concerning its ADW license.

15 MR. MILLER: Of the Virginia what?

16 MR. LAWS: I'm sorry?

17 MR. MILLER: Of the Virginia what Commission?
18 Did you say Employment Commission?

19 MR. LAWS: I might have. They're also a client
20 of mine. The Virginia Racing Commission.

21 MR. MILLER: I was gonna say when did they get
22 involved.

23 MR. LAWS: At least I didn't say worker's comp.

24 MR. MILLER: Okay.

25 MR. REYNOLDS: Should he re-read the motion?

1 MR. LAWS: I can read it again from memory.
2 Upon the request of Colonial Downs and EZHorseplay,
3 the Virginia Racing Commission is instructing the
4 executive secretary of the Virginia Racing
5 Commission, in consultation with the office of the
6 Attorney General, to issue a notice for a hearing
7 to determine whether or not Colonial Downs and
8 EZHorseplay have complied with the code regulations
9 and conditions of the Virginia Racing Commission
10 concerning its ADW license.

11 MR. REYNOLDS: I'll make that motion. Do I
12 hear a second?

13 MS. DAWSON: I'll second that.

14 MR. REYNOLDS: All those in favor, say aye.

15 NOTE: The commissioners vote aye.

16 MR. REYNOLDS: All those opposed? Hearing
17 none, the motion carries.

18 All right. Well, that will take us to
19 commissioner comments, and I will start at the end
20 of the table and call on Commissioner Miller.
21 We'll work our way up the table.

22 MR. MILLER: Okay. Well, I've made a lot
23 comments already, but want to add this. First, I'd
24 like to commend the Virginia Equine Alliance and
25 all the other people who worked during the

1 legislative session on the proposed legislation
2 that passed both houses of the General Assembly and
3 will be further considered at the veto session next
4 week by the General Assembly.

5 I commend them for their efforts. I think it
6 showed a real interest of the horsemen and so
7 forth, and it showed an interest also of Colonial
8 Downs and the other stakeholders involved, because
9 I know all of them were at the assembly and worked
10 hard to try to do something to further this
11 industry in Virginia.

12 Unfortunately, in my opinion, it was a
13 helter-skelter type operation, however. I don't
14 think enough forethought went into the approach
15 that was made to the General Assembly.

16 When you go to the General Assembly, as a
17 regulated industry especially, it's vitally
18 important that you have some degree of unanimity
19 among the parties involved who are asking for
20 whatever it is they're asking for, and to not take
21 your turf fight to the assembly.

22 I was a member of the General Assembly for a
23 long time, and I remember the ophthalmologist and
24 the optometrist fight. That predominated the first
25 ten or 15 years of my membership in the General

1 Assembly, because they brought their turf fights to
2 the General Assembly, and it was very difficult to
3 put together legislation that would be helpful to
4 all parties concerned when you have that type of
5 conflict among the parties being regulated.

6 what I'm saying is, that although there was
7 some degree of success in the session of the
8 General Assembly, it could have been much better.
9 I think one other thing that this fight that we've
10 been in has uncovered is the fact that there's, and
11 I think everyone in this room I hope could agree
12 there's a great deal of uncertainty about the
13 future of Thoroughbred and harness racing and
14 pari-mutuel racing in Virginia.

15 we've got a statute in place. It's not
16 perfect, and this session of the General Assembly
17 didn't make it perfect. It was a little bit and a
18 little piece. what I'm trying to suggest to you is
19 this.

20 I think all the stakeholders need to make a
21 determination in your own mind where are we today
22 and why are we where we are, and where do we want
23 to go tomorrow and how do we get there.

24 what that takes is that all the stakeholders
25 have to make a determination, no matter what their

1 preference is for the future. They have to make a
2 determination that you've got to sit down with the
3 other stakeholders and try to reach some kind of
4 mutual understanding about where we want to go and
5 how do we get there, and it's going to take a
6 little give and a little take by all sides.

7 Because if we go the way we're going now today,
8 I don't think future of racing in Virginia is that
9 bright.

10 Although the work that the Equine Alliance did
11 to try to work out some kind of racing program in
12 Virginia, that's good. That's very good, and it's
13 what we should all aspire to.

14 But in order to have, in my opinion, to have a
15 successful racing program in Virginia, one thing
16 you need in addition to the normal racing, what I
17 call minor league -- let's compare it to baseball.

18 Minor league racing, you've got to have that in
19 place and have a viable, vibrant minor league
20 program if you're gonna have a major league
21 program. And if you're gonna have a minor league
22 program, you've gotta have a major league program
23 to aspire to.

24 I think Colonial Downs is exactly right in what
25 they say about the need for more stakes races; the

1 higher what we call high-end racing. We need that
2 in Virginia if you're going to have a successful
3 program that's gonna be recognized nationally and
4 to the greatest benefit of the horsemen and
5 everyone else concerned in Virginia.

6 You've got to have that high-end racing, but to
7 have the high-end racing, you've got to have the
8 minor league program to funnel in to that.

9 It's not that complicated, I don't think, if
10 you look at all the other successful sports
11 programs in this country. You can't have just the
12 top echelon and nothing down here. You've got to
13 have both, and I'm convinced that the horsemen of
14 Virginia would be satisfied with a program of, I
15 hate to say low-end, program of lesser racing --

16 MR. REYNOLDS: Bread and butter.

17 MR. MILLER: -- of some small degree, and they
18 would go along with a program of high-end racing.
19 It could be worked out.

20 We've got one of the best racetracks in the
21 nation sitting down there in New Kent County, and
22 it's a shame to have it sitting there not having it
23 used to the optimum and so that everyone could
24 benefit from it.

25 But the best legislation in the world could be

1 put in place, and the best commissioners in the
2 world can be sitting up here at this table, but it
3 takes the people involved in the industry to make
4 it work, and I'm going to propose and I'm going to
5 be working with the chairman and the executive
6 secretary and the rest of these members here.

7 I hope we're going to start discussing, trying
8 to pull together something that as D.G. has already
9 reminded me, they put together a program to try to
10 examine thoroughly the entire spectrum of
11 Thoroughbred racing, harness racing, pari-mutuel
12 racing, et cetera, et cetera, in Virginia to
13 determine what do we need to do, who can we bring
14 in to work with us, how can we develop a plan for
15 the future that it's to the benefit of all
16 Virginians, and that's what I hope that we're going
17 to be able to do in the future.

18 One thing I'm going to recommend is that we
19 hire -- we don't have any money. We might have to
20 go out and have a bake sale. But this Commission
21 has got to get its grasp on the true economic
22 impact of what has occurred in the past and the
23 economic condition today, how much has been
24 invested in that track, how much has been invested
25 by all the horsemen, how much has it taken to pull

1 together what's been done so far in Virginia, how
2 much money have -- people talk about losing money.
3 How much money has really been lost? How much
4 money could really be made? What are the
5 possibilities? What can be done in the future to
6 help everyone?

7 I think if we can hire an accounting firm, an
8 economist, to come in and do that analysis for us,
9 perhaps we can put together a program in the future
10 that will be attractive enough that somebody -- I
11 don't know whether it will be the present owner or
12 a future owner or a future lessee or someone that
13 builds another track somewhere else -- but they can
14 make Virginia a good, workable state for a vibrant
15 racing program.

16 And if we're not willing to do that, pull
17 together to do that, then the legislature has to go
18 back and reconsider what they did in 1988 and say
19 to themselves, you know, is it worth all this
20 emotion and time and effort and dedication?

21 I think it is worth it, but if we don't pull
22 together, why should we keep spinning our wheels
23 and having a situation where there's so much press,
24 so much animosity that you can't sit down and work
25 through it? I think we can do it. That's all.

1 MR. REYNOLDS: Thank you. Commissioner Dawson.

2 MS. DAWSON: Yes. Thank you, Mr. Chairman. I
3 just want to say thank you, Commissioner Miller,
4 for your insights. We are indeed fortunate to have
5 his insights and his recommendations, and I'm sure
6 we'll all take them very seriously.

7 I also want to say thank you again to Chairman
8 Reynolds and Vice Chairman Van Clief for all the
9 work they've done in the past, and I'm grateful
10 that they are willing to take on the job again and
11 try, and given all of the complicated issues that
12 we now have, it's gonna be probably more work, so
13 thank you so much.

14 MR. REYNOLDS: Thank you.

15 MS. DAWSON: I also want to say that I'm
16 encouraged by seeing all the work that has been
17 done so far to identify locations for some racing
18 in Virginia. I'm hoping still that we'll get some
19 significant racing, but had it not been for their
20 efforts to identify these additional locations, we
21 might not have any.

22 So I want to thank you for that, and that's all
23 I have to say today.

24 MR. REYNOLDS: Thank you, Commissioner.
25 Commissioner Steger.

1 DR. STEGER: First of all, I want to express my
2 appreciation to the governor and to all of you for
3 allowing me to serve on the Commission.

4 I think the horse industry is a very important
5 part of Virginia's economy, and we need to do
6 everything we can to ensure that it's going to grow
7 and prosper, and I look forward to having the
8 opportunity to assist in that endeavor. So with
9 that, I shall conclude, sir.

10 MR. REYNOLDS: Thank you, and I look forward to
11 working with you.

12 Vice Chairman.

13 MR. VAN CLIEF: Just a personal comment or two.
14 I'm extremely heartened and excited. I think the
15 fact that we have a, in essence, brand
16 new legislative environment clears up some issues
17 from the past and provides some opportunities we
18 may not have had before is a very positive step,
19 and my thanks to the parties who did all the hard
20 work and heavy lifting this past winter with their
21 respective legislators. Thank you for creating
22 what, in essence, is a new start.

23 I want to thank Commissioner Miller for his
24 comments and would particularly like to emphasize
25 the need for unanimity. I've said how important I

1 think the development of the VEA is. It's the
2 first time in any state, and I've been involved in
3 racing in a number of jurisdictions over the years,
4 that I've seen a group of horsemen come together
5 under a single banner of this nature.

6 I would ask, respectfully ask the harness
7 horsemen to consider as quickly as possible burying
8 their differences and getting back together. We
9 are way too small an industry to endure that kind
10 of fractionalization.

11 Commissioner Miller is a former legislator. He
12 knows better than anybody at this table, and I have
13 experienced it myself when testifying before
14 commissions, your legislator usually will sit back
15 and say, well, gentlemen, we're all about
16 compromise and consensus and we don't see much in
17 your industry, and I've heard that over and over,
18 and I think it's absolutely critical that if we are
19 going to move forward, that we hammer out that
20 consensus and we move as one.

21 I personally will be delighted to do anything I
22 can to help build such consensus and to move the
23 program forward, which is already under way.

24 Thank you, Mr. Chairman.

25 MR. REYNOLDS: Thank you, Chairman.

1 Being chairman and getting to go last, a lot of
2 it has already been said, so I don't need to say a
3 whole lot, except that I would like to say thank
4 you to the public who comes in here, who cares
5 about horse racing. You know, we hear positive
6 comments, we hear negative comments. They are all
7 welcome and it makes for a healthy debate.

8 I apologize during the public comment section
9 it's really meant for you to stand up, talk for
10 five minutes and just say what's on your mind.
11 It's not a forum for a lot of back and forth. So
12 for that, I apologize.

13 I will also say that you all know how to reach
14 me. I think a lot of issues were raised today,
15 which we absolutely will take seriously and want to
16 look in to, so you know, my contact information is
17 there, or Bernie.

18 Don't ever hesitate if there is a concern on
19 anything to reach out to one of us, whether it's in
20 this public forum, which is fine because it's on
21 the public record, but if there are concerns or
22 anything, we are always available. Please reach
23 out to us any time there's a concern or there's a
24 compliment or a question or anything. We work for
25 the public, so that's why we're here. So I

1 actually appreciated all those comments today.

2 with that, those are my comments.

3 with that, I'd like to make a motion that we
4 adjourn.

5 MR. VAN CLIEF: Second.

6 MR. REYNOLDS: All those in favor, say aye.

7 NOTE: The commissioners vote aye.

8 MR. REYNOLDS: This meeting stands adjourned.

9 Thank you all for coming.

10 NOTE: The meeting is adjourned at
11 11:59 a.m.

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CERTIFICATE OF COURT REPORTER

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

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

Given under my hand this 20th day of April, 2015.

SANDRA G. SPINNER
COURT REPORTER