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VIRGINIA RACING COMMISSION

January 16, 2013

10700 Horseman's Road

New Kent, VA 23124

Commencing at 10:06 a.m.

COMMISSION MEMBERS:

Stuart Siegel, Chairman
J. Sargeant Reynolds, Jr., Vice Chairman
Carol G. Dawson
D.G. Van Clief, Jr.
Stran L. Trout

COMMISSION STAFF:

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

ATTORNEY GENERAL'S OFFICE

Joshua E. Laws, Esquire

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1 CHAIRMAN SIEGEL: Good morning, everyone. I
2 will call to order the January meeting of the
3 Virginia Racing Commission. Mr. Petty is on time, I
4 noticed, which is very nice.

5 MR. PETTY: Pretty good for me.

6 CHAIRMAN SIEGEL: The first item on the agenda
7 is to welcome our newest member to this commission,
8 D.G. Van Clief. I think anyone who knows anything
9 about horses or horse racing might know D.G. or know
10 of him.

11 I will not go through his résumé, but he grew
12 up in the horse business with his family in Virginia
13 and has spent a fair amount of time in Kentucky and
14 has led lots of organizations and knows a whole lot
15 about this industry, and I'm sure will add great
16 value to this commission, to our deliberations for
17 the benefit of racing, and the Commonwealth, which
18 is what we all seek to do.

19 D.G., welcome.

20 MR. VAN CLIEF: Thank you very much. Happy to
21 be here.

22 CHAIRMAN SIEGEL: I have encouraged him to
23 weigh in and weigh in often, and hopefully, he will
24 do so.

25 The first item on the agenda, which we do at

1 this meeting on an annual basis, is to elect a
2 chairman and a vice chairman to this commission. So
3 the Chair will entertain a motion to do so.

4 MR. S. REYNOLDS: Mr. Chairman, I'd like to
5 make a motion to reelect you as chairman for this
6 coming year.

7 CHAIRMAN SIEGEL: Do I have to make a
8 contribution or something like that? Thank you.

9 MR. S. REYNOLDS: To be determined.

10 CHAIRMAN SIEGEL: Is there a second?

11 MR. TROUT: Second.

12 CHAIRMAN SIEGEL: All in favor?

13 NOTE: The Commission votes aye.

14 CHAIRMAN SIEGEL: Any opposed?

15 NOTE: There is no response.

16 CHAIRMAN SIEGEL: Thank you for the confidence.

17 MR. S. REYNOLDS: You're welcome.

18 CHAIRMAN SIEGEL: We will entertain a motion
19 for vice chairman, and as Chair, I would nominate
20 Sarge Reynolds, if you're willing to serve.

21 MR. S. REYNOLDS: I have given it a lot of
22 thought, and I will.

23 MS. DAWSON: Second that.

24 CHAIRMAN SIEGEL: There's a second. All in
25 favor?

1 MS. DAWSON: Aye.

2 MR. TROUT: Aye.

3 CHAIRMAN SIEGEL: Great. So we now have a
4 chairman and vice chairman.

5 The approval of the minutes from November 7,
6 the last meeting, they're in your booklet behind Tab
7 One. I'm sure everyone has looked at them. Any
8 corrections, additions, any comments about those
9 minutes? If not, we will entertain a motion to
10 approve.

11 NOTE: There is no response.

12 MS. DAWSON: I move that the minutes be
13 approved.

14 CHAIRMAN SIEGEL: All in favor?

15 MR. TROUT: Aye.

16 CHAIRMAN SIEGEL: Commissioner comments.

17 Mr. Reynolds, I believe you have a subcommittee
18 recommendation.

19 MR. S. REYNOLDS: Unless there are some other
20 commissioner's comments first, or any general
21 comments.

22 CHAIRMAN SIEGEL: Well, we can do them all at
23 the same time.

24 MR. S. REYNOLDS: Well, I'll start.

25 Mr. Chairman, the Thoroughbred subcommittee of the

1 Virginia Breeders Fund voted to recommend the
2 following expenditures from the Thoroughbred portion
3 of the Breeders Fund 2013. I'm gonna read what
4 those recommendations are, and before I put it to
5 the commissioners for a vote, I'd like to open up
6 the floor if there is any further discussion, and I
7 know there were some e-mails and discussion going
8 back and forth, but if there is any further
9 discussion, I would entertain comments on that.

10 MR. PICKLESIMER: Just one quick question.
11 Just a couple comments. Everybody worked hard to
12 put together a proposal for the Breeders Fund, but I
13 don't know if a watered down 100 percent bonus is
14 worth jumping through all the hoops and making it as
15 complicated as we have.

16 Just three issues that I sort of have a problem
17 with. In the proposal, the Association purse money
18 is basically going to pay \$40,000 of every
19 restricted purse stake, so the Virginia-breds fund
20 is only gonna put up \$10,000 for each restricted
21 purse. Historically, those funds are usually 50/50
22 out of the purse account and out of the Breeders
23 Fund in most states.

24 The proposal also calls that we add a \$25,000
25 bonus for Virginia-breds running in open states.

1 Personally, I think it's a waste of money. Anything
2 between \$50,001 and \$99,999 is a waste of money,
3 unless you have surplus purse money.

4 A \$4,000 stake qualifies you for black-type
5 earnings, \$100,000 qualifies you for listed status,
6 or you know, eligibility to be graded at some point.
7 Anything in between is, you know, paying too much
8 for a car, you know, basically.

9 The third point, that there's a \$10,000 cap on
10 the bonus. Well, I think that sort of goes against
11 what we tried to do by shortening up the meet. The
12 \$10,000 cap rewards the lower level claimers more
13 than it does the better horses.

14 So we've shortened the meet to try to increase
15 the quality of the meet, but we are rewarding the
16 cheaper horses more than the better horses. I
17 just -- that part doesn't make sense to me.
18 Anyways, those are -- that's it in a nutshell.

19 MR. S. REYNOLDS: Okay. Does anybody have any
20 follow-up to that, those comments at all?

21 NOTE: There is no response.

22 MR. S. REYNOLDS: One of my suggestions was
23 gonna be, you know, with this subcommittee, we kind
24 of meet towards the end. Everybody is usually in
25 agreement, it has been unanimous in the past, and we

1 haven't really seen a need to have a formal meeting.

2 I understand for this meeting that the
3 stakeholders have gotten together a few times and
4 have talked all this through. I'm gonna propose
5 what our committee did vote on, even though it
6 wasn't unanimous. We're gonna vote on this, but I
7 may suggest that, or put out there, do we need to
8 have a formal meeting next year where everybody gets
9 together and talks about this first in a more formal
10 way?

11 MR. PICKLESIMER: A conference call, or you
12 know, would be fine.

13 MR. S. REYNOLDS: Okay. I'm gonna certainly
14 suggest that for this year.

15 CHAIRMAN SIEGEL: It would be important that
16 you meet, even if it is by telephone, but I think,
17 obviously, everything should be aired out, any
18 concerns or questions.

19 MR. S. REYNOLDS: Right.

20 MR. PETRAMALO: May I make a comment?

21 CHAIRMAN SIEGEL: Sure.

22 MR. PETRAMALO: There's history here that went
23 into this recommendation. By your own regulations,
24 you require roughly a 50/50 split between Breeders
25 Fund money spent on the live meet and Breeders Fund

1 money spent year-end for breeders awards. Over the
2 years, that ratio hasn't been followed; it has been
3 out of whack.

4 A good portion of the money was being spent at
5 the live meet, which as horsemen we say, go on,
6 that's good. That's good. When we started, for
7 example, with the 100 percent bonus, the first year,
8 we used almost 90 percent of the fund money and it
9 kind of got closer to balance as we went along, but
10 last year, I think it was 60/40; 60 on the live
11 meet, 40 on the breeders awards.

12 This year, the breeders took a very militant
13 stance; they thought enough is enough, let's get
14 more money to the breeders, so what we wound up with
15 is a compromise. It's 50/50 split, and we came up
16 with a number of solutions, some of which strike you
17 as a little unusual, like the one Tyler mentioned.

18 That is, putting a \$25,000 Virginia bonus on
19 top of the 50,000 stakes purse for open races, but
20 that was a compromise. That's something that
21 somebody suggested, probably you, Stephanie.

22 MS. NIXON: I'll take the blame.

23 MR. PETRAMALO: You take the blame, because you
24 know, it made the breeders feel better. They
25 understood exactly what Tyler was saying, but said,

1 well, gee, you know, this really looks good, because
2 we can promote these open stakes as \$75,000 races
3 the way everybody else does. So that's how we came
4 up with this, but the bottom line was we wanted to
5 try and strike a 50/50 balance, and that's what we
6 did.

7 MR. S. REYNOLDS: Okay.

8 MR. PETTY: Let me just add a quick point. I
9 didn't think we were gonna rehash all this, so I'll
10 keep it brief.

11 What Frank says is correct. The breeders felt
12 like the tipping point was a very short meet. You
13 have eight weeks of Colonial Downs, but you have 44
14 more weeks that these guys are producing horses that
15 are running in other places, and if you look over
16 the Breeders Fund from 2008 when the payout ended up
17 around 80 percent at the track and 20 percent, it
18 has been averaging close to 70 percent, 70/30 since
19 2008, so they are looking to return the balance to
20 the 50/50.

21 Tyler's correct about -- no question --
22 technically correct, about the 50 to 100, but what
23 the feedback from the breeders is, they can't get
24 people to bring their horse for a \$50,000 race.
25 Somebody out there has produced a stakes horse,

1 wants to build their mare's résumé, wants to earn
2 breeders awards, wants to do what breeders are
3 supposed to do, and you notice this by how few
4 Evans-breds, for example, have run in the \$50,000
5 stakes. We couldn't get him to come here, or other
6 trainers in the east, New York, New Jersey, for 50.
7 We think we might be able to lure them for 75.

8 The money that isn't spent, and we don't think
9 it will all be spent, will be pushed to the back end
10 and find the breeders awards.

11 We had a cap in 2009, I think. It's true you
12 do 100 percent fund the cheaper races over the more
13 expensive races, but the fact of the matter is when
14 you look at the results, the cheaper races are the
15 majority of the races. Not many horses or owners
16 will hit the cap. It will be more so this year
17 because of the higher purses when you look at
18 conditions.

19 One of the other things we talked about was in
20 the current purse structure, if the maiden race is
21 \$30,000 and we double that, does it make sense that
22 a maiden special race has a higher purse than the
23 Virginia stakes race? There's a lot of trying to
24 keep all the boats floating at a sensible level.

25 I think this was, as Frank said, was a

1 reasonable compromise. We tried to give everybody
2 something that worked for them. Track can promote,
3 we can promote. Front end guys are happy, back end
4 guys are happy, appeals to trainers, owners and the
5 breeders.

6 I understand Tyler's concern that it looks
7 complicated, but I think it looks complicated from
8 the inside out, doesn't look terribly complicated
9 from the outside in.

10 I was looking up this morning Tampa, for
11 example. They run a bunch of \$50,000 stakes with 25
12 added in from Florida. It's a model that's being
13 used. Maryland is now adding 50 to some. So the
14 guys looking at the books get it. I don't think
15 they will be confused.

16 I don't think it will cause a hitch and it
17 might get us some more horses. We might be looking
18 at a ten-horse field, because maybe three
19 Virginia-breds come to town that normally wouldn't
20 for those races.

21 MR. PICKLESIMER: The flip side to that,
22 though, is you take horses out of restricted stakes
23 and run them in the open stakes, so you may go from
24 an eight-horse field in a Virginia-bred stake to a
25 six, or maybe the Virginia-bred stake doesn't go, so

1 there's a consequence to that, also.

2 MR. S. REYNOLDS: We'll see how that goes.

3 CHAIRMAN SIEGEL: Well, you know,
4 unfortunately, we don't always reach 100 percent
5 consensus, but it seems to Sarge and I, I believe
6 this is a starting point, and we can certainly
7 revisit this thing going forward and see how it
8 works, or if it works for this meet, and then make
9 some decisions and alter it as we move forward.
10 That's sort of the way you feel about it?

11 MR. S. REYNOLDS: I do, and I thought maybe at
12 some point, we would get the group together and
13 discuss all this in more detail, maybe it a little
14 more formally or by teleconference or something, but
15 at least get everybody on the committee involved in
16 discussions, because I wasn't involved in the
17 discussions at all, so I would like to be.

18 CHAIRMAN SIEGEL: Bernie, are you okay with
19 that?

20 MR. HETTEL: Yes, sir. I think it's solid for
21 this year. I think Sarge's point is correct. We
22 need to somehow, either before the next Racing
23 Commission meeting or before a future Racing
24 Commission meeting have this subcommittee meet, and
25 begin a little bit earlier.

1 It probably gets to be it's lack of funds, of
2 course, and not anybody is going to be satisfied
3 with the small portion they get.

4 CHAIRMAN SIEGEL: We have on this agenda
5 probably four actionable items, but if it's okay
6 with everyone, we'll take them together and let's go
7 through them and we'll do them all at once.

8 Any other comments on this issue?

9 MR. TROUT: Just one more question. Is this in
10 the opinion, I guess the general opinion, even with
11 some people who might not be satisfied with all of
12 it, is this ready to go as it is and it could be
13 tweaked later, or is this something that can be
14 postponed until it can be looked in to?

15 MR. S. REYNOLDS: My feeling is that the vast
16 majority of the folks are happy with this; the
17 horsemen and the breeders are happy with this. I
18 would like to see this get approved and we commit to
19 this this year, and then we work together to see
20 what we come up with next year after seeing what
21 happened this year and having some more
22 conversation, but my intention is to bring this to
23 the commissioners for their approval as it is
24 stated.

25 CHAIRMAN SIEGEL: Okay. I was reminded that I

1 did not earlier ask for commissioners' comments. Is
2 there any commissioner that would like to make
3 comment at this time about any issue? Typically, we
4 don't have many to do, but it is important that we
5 ask.

6 NOTE: There was no response.

7 CHAIRMAN SIEGEL: The next would be the
8 executive secretary's report, Bernie.

9 MR. HETTEL: Yes, sir. As you may recall,
10 earlier --

11 CHAIRMAN SIEGEL: Behind Tab 3, by the way.
12 Excuse me.

13 MR. HETTEL: Behind Tab 3. Last year, the
14 governor's office contacted all the state's agencies
15 and required of them to do some housekeeping on the
16 regulations that they operate under.

17 For inclusion in the booklet is the collective
18 effort of the staff to clean our regs up and make
19 them more useable, and as I said, it was
20 highlighted, marked, in your booklet.

21 They deal with outriders for harness racing,
22 video equipment, and races that have had some
23 complication or an inquiry, the security that
24 includes the Virginia State Police that we don't
25 need anymore, security guards for the steward stand,

1 which sometimes is a good idea, the elimination of
2 twin trifectas, the elimination of temporary
3 licenses for ADWs, and deletion of the word "serum"
4 in our testing protocol. So I'd seek a motion to
5 approve those recommendations.

6 CHAIRMAN SIEGEL: I take it everyone has looked
7 at them. Again, we'll do these all together at the
8 end, if it is okay.

9 MS. DAWSON: Mr. Chairman?

10 CHAIRMAN SIEGEL: Yes.

11 MS. DAWSON: Is it appropriate right now? I
12 think Commissioner Stran and I both would like to go
13 through these and get a little background.

14 MR. TROUT: Right. I don't have any objection
15 to anything that's in there, but just for my benefit
16 and actually for the benefit of some others to look
17 at what appear to be some of the changes. I've got
18 some clips in here, and maybe just go through ones
19 that I've got listed.

20 MR. HETTEL: Okay. Specifically, let's do
21 that.

22 MR. TROUT: Very briefly, first, Page Five, and
23 I'm looking at the lined-out item, "Outrider for
24 harness racing." Is that something that's not
25 needed or not used?

1 MR. HETTEL: That's not necessary.

2 MR. TROUT: Okay. That's a good answer.

3 MR. HETTEL: Brief, but correct.

4 MR. TROUT: On Page Nine, you mentioned
5 something about the steward stand.

6 MR. HETTEL: Right.

7 MR. TROUT: Security personnel at the entrances
8 to the steward stand. Is that something, again,
9 that's not needed or not used?

10 MR. HETTEL: I think that was probably
11 over-worded when it was written. There's not
12 anyplace that I've ever been where there's a
13 security guard posted at a steward's stand. There's
14 plenty of security before you get to there, as a
15 matter of fact.

16 MR. TROUT: Okay.

17 MR. S. REYNOLDS: Can we jump back to Page Six
18 quickly? I'm sorry to interrupt.

19 MR. TROUT: Okay. No problem.

20 MR. S. REYNOLDS: Just out of curiosity, you
21 all struck "promptly delivered to Commission copies
22 of videotapes of the races where there had been
23 objection, inquiry or protest". I don't have a
24 problem with that; I'm just wondering why.

25 MR. HETTEL: Well, it's unnecessary. They're

1 already stored on the other side of the racetrack.
2 We don't need to make a copy and be stored here.

3 MR. S. REYNOLDS: Got you. Thank you.

4 MR. TROUT: I forgot to mark that one. Thank
5 you.

6 Next one I had was Page Ten, and it talks about
7 in the event of a discrepancy between two sets of
8 pool totals. Is this something a discrepancy does
9 not or cannot exist, or is there any other method
10 for determining?

11 MR. HETTEL: Well, there's no absolute, but
12 again, this is the redundancy of the totaling
13 company that works diligently to make sure those
14 pools are correct. You may recall years and years
15 ago, there was bit of a gap in the technology, and
16 this satisfies it, the way it's done right now.

17 MR. TROUT: So you still have the two totals,
18 but there's considered a very low probability they
19 can conflict?

20 MR. HETTEL: An impossibility.

21 MR. LERMOND: We don't want them to just take
22 the higher number.

23 MR. TROUT: Right.

24 MR. LERMOND: We want them to take the correct
25 prices, not just the higher number.

1 MR. TROUT: We want them to work it out and not
2 just say, okay, we've got two different numbers.

3 MR. LERMOND: And they wouldn't go forward
4 until they figured out which prices were correct.

5 MR. TROUT: That's good. I like that. The
6 next one I had -- I may be missing something here.
7 Page 20, twin trifecta pools. I've never heard of
8 one, but do we not have twin trifectas?

9 MR. HETTEL: They do not offer that race
10 anymore. They were popular in the 60s. A lot of
11 places, when you hit the first trifecta and you turn
12 the ticket back in to buy the second trifecta. It's
13 just not done anymore. That was before Pick 6, Pick
14 3 and Pick 5s.

15 MR. TROUT: Okay, so it doesn't exist. I
16 understand that. I am going to 23. Talks about
17 temporary license to Kentucky, account wagering.
18 That's been appealed by the state; is that correct?

19 MR. HETTEL: That's correct.

20 MR. TROUT: So that's why the regulations need
21 be removed to cover that. I told you this would be
22 quick. What did I have for last one here? This is,
23 as I understand this one, actually, but on Page 25,
24 it talks about serum or plasma.

25 MR. HETTEL: Okay. Dr. Harden.

1 DR. HARDEN: Well, the serum and plasma, from
2 an analytical standpoint, are not that much
3 different. One is extracted from blood that has
4 clotted, the other is extracted from blood that has
5 not clotted.

6 And we basically, over the years, we have used
7 serum, and at other times we used plasma, and often
8 times, what we use depends on the type of tube that
9 the laboratory sends us, and so just to cover both
10 sides in case a lawyer ever wants to tear us up, we
11 put both words in, and this is consistent with
12 national model rules and everything else.

13 MR. TROUT: That's being added here and you're
14 blaming it on the lawyers as being one. I think
15 that's appropriate.

16 MR. PETRAMALO: I wouldn't waive my right to
17 tear it up though.

18 MR. TROUT: Those were the questions I had.
19 I knew they were straight forward, but I just needed
20 to kind of go through those for my own benefit.

21 CHAIRMAN SIEGEL: That's fine. I think it's
22 good dialogue to have.

23 MR. HETTEL: Good questions.

24 CHAIRMAN SIEGEL: Okay, and if everybody's good
25 with that, we'll take action in a little bit.

1 Bernie, are you finished with your report?

2 MR. HETTEL: Yes, sir. I have. We can move on
3 to the horsemen's agreements.

4 CHAIRMAN SIEGEL: Right. The horsemen's
5 agreement. I understand that there has been an
6 agreement that has been reached. As I understand
7 it, there's an outstanding issue, but not something
8 that cannot be worked out, it just hasn't been
9 worked out yet. Anybody want to comment? Ian, do
10 you want to comment, or Frank?

11 MR. STUART: I'll defer to Jim.

12 MR. WEINBERG: Just to summarize, we have
13 reached an agreement that preserves the status quo.
14 In other words, we took the existing agreement that
15 is in effect, updated the dates, reflected the
16 agreement on race dates, and left the economics that
17 were in place in place.

18 There is, as you alluded to, one item that has
19 not been resolved. As you know, we opened a
20 satellite wagering facility at Chesapeake at
21 Paradocks, a restaurant.

22 In anticipation that it would be like other
23 facilities that are smaller where there is a
24 agreement on the sharing of handle, rather than a
25 default to the provisions in the statute.

1 We were unable to reach an agreement on that
2 one point, but wanted to finalize an agreement, have
3 done so, and have agreed that we will spend the next
4 couple weeks trying to resolve the issue at
5 Paradocks, which has implications for the additional
6 SWF license that is open and see if we can reach
7 resolution.

8 If we can't reach resolution by February 1, we
9 will close Paradocks until we do come to an
10 agreement that makes it cost effective for Colonial
11 Downs to keep Paradocks open.

12 At its current percentage, Colonial Downs loses
13 money at current handle levels, so we are eager to
14 reach a resolution of that matter and look forward
15 to -- I think as we have discussed, we are looking
16 at a site in the West End of Richmond in Henrico
17 County that we'd like to move forward with as well,
18 but we need to agree on economics that make sense.

19 In summary, we have an agreement, but there are
20 additional agreements that need to be reached for
21 growth in the SWF network.

22 CHAIRMAN SIEGEL: Frank.

23 MR. PETRAMALO: Bear in mind that this is a
24 status quo agreement for one year. We had
25 originally talked about a three-year contract to

1 replace our old contract. There were economic
2 issues in addition to the one that Jim mentioned
3 that we were unable to resolve, so we just came back
4 to the status quo for the year.

5 Now the immediate issue of Paradocks we hope to
6 address, but there are issues out there lingering
7 that at some point we're going to hopefully be able
8 to resolve. It doesn't keep us from going forward
9 now.

10 CHAIRMAN SIEGEL: Well, I hear that, but we're
11 accustomed to a three-year agreement.

12 MR. PETRAMALO: It has varied, but I think the
13 last two contracts have been three years, but we've
14 had one-year contracts in the past.

15 CHAIRMAN SIEGEL: I guess I think that we
16 shouldn't be rehashing this thing every 12 months,
17 and I think it would be the desire of this
18 Commission -- I don't know if I speak for everyone
19 -- that we have a contract going forward that
20 extends beyond one year.

21 Now that may or may not be possible with this
22 contract, given the outstanding issues that you've
23 agreed on temporarily, but I think that the message
24 really is that we don't really want to have a series
25 of one-year contracts.

1 I don't think that -- Bernie, do you agree with
2 that; it's not something we desire?

3 MR. HETTEL: It just belabors some of the
4 points that are obvious, I believe, and the quicker
5 we come to consensus to where we're going to be
6 similar, it is for everybody to have a business
7 plan. I'd be happy to take part in any of those
8 discussions you direct me to get involved with.

9 CHAIRMAN SIEGEL: Well, I think over the last
10 couple of days, I've encouraged Bernie to get
11 together with you and be helpful, if he can, and
12 hopefully, that did contribute to where you've
13 gotten thus far, but I personally believe that it's
14 important that you guys come to an agreement that is
15 more long-lasting, and not something that just sort
16 of, you know, holds to the -- enables you to
17 continue to operate. It ought to be one everyone
18 has confidence in, enough to do longer than a year.

19 MR. WEINBERG: Someone will kick me if I speak
20 out of school, but I think that's certainly the
21 aspiration of the parties.

22 CHAIRMAN SIEGEL: Good.

23 MR. WEINBERG: I don't want to create the
24 impression that we're happy with the one-year
25 agreement. We would prefer a three-year agreement,

1 and that clearly is our aspiration.

2 CHAIRMAN SIEGEL: I think that's the mission.

3 MR. PETRAMALO: I will not kick Jim. I agree
4 with him.

5 CHAIRMAN SIEGEL: Maybe Ian will kick him.

6 MR. STUART: I won't kick him, but sometimes
7 you got to do what you can do, and this is what we
8 got to do.

9 MR. PETRAMALO: Mr. Chairman, what we are
10 proposing is to tender you a clean copy of what
11 we've agreed on. It hasn't been signed yet.

12 CHAIRMAN SIEGEL: Right.

13 MR. PETRAMALO: We have a -- Let me back up.
14 We have a new president for the Virginia HBPA; his
15 name is David Ross. He's a long-time member of the
16 board of directors, and he's, by the way, been the
17 leading owner here for six or seven years. Robin
18 Richards did not stand for reelection because of her
19 duties of the president of the national HBPA.
20 Our new vice president is sitting next to me,
21 Stephanie Nixon.

22 CHAIRMAN SIEGEL: Congratulations.

23 MS. NIXON: Thank you.

24 MR. PETRAMALO: I don't think she regards it as
25 congratulations.

1 MS. NIXON: It has been a long time, Frank.

2 MR. PETRAMALO: Well, thank you. Hello. But
3 in any event, we will get it signed hopefully today
4 and back to -- a copy to Bernie and Ian.

5 CHAIRMAN SIEGEL: Okay.

6 MS. DAWSON: Mr. Chairman?

7 CHAIRMAN SIEGEL: Yes.

8 MS. DAWSON: I just had one question. Is the
9 issue with Paradocks the thing that's preventing you
10 with coming up from a three-year contract?

11 MR. PETRAMALO: That's only one part of it.

12 MS. DAWSON: One part of it.

13 MR. PETRAMALO: Yeah.

14 MS. DAWSON: Follow-up to that, can you give us
15 a little background why these economic issues have
16 arisen with Paradocks?

17 MR. PETRAMALO: Oh, sure. The statute gives
18 the horsemen, their purse account, a statutory
19 sliding scale of five, six, seven percent. We never
20 get to the higher percentages, but over the years,
21 its been five percent.

22 Now probably, and the same by the way, with
23 regard to online wagering. The horsemen get five
24 percent share from the online wagering companies of
25 wagers originating here in Virginia.

1 Probably going back to at least 2004, 2005, we
2 embarked on a plan with Colonial to expand the OTBs,
3 but they could only do it economically if they got
4 some rebate back from the five percent.

5 The five percent that they would have to pay us
6 would not allow them to economically build new OTBs
7 in central and in the western part of the state, so
8 we set in motion a plan and that worked quite well,
9 until probably 2008 or 2009, when the national
10 economy took a downward turn, as well as the horse
11 industry, so we had to revise that in certain
12 locations so that we went below what we had agreed
13 to rebate. We were generally rebating the
14 difference between five percent and four and
15 four-and-a-half percent.

16 We had to go even lower to a new formula, which
17 I always describe as a 50/50 sharing. What that is,
18 is a 50/50 sharing of what I call the cash flow.
19 The accountants call it IBIDA, I call it cash flow,
20 and in certain locations, that's been in place for
21 at least three years.

22 In addition, we have a similar type of deal
23 with Colonial's online wagering company, EZ
24 Horseplay. We basically have a 50/50 sharing there,
25 instead of the statutory five percent.

1 In our discussions this year, we were trying to
2 revise that formula for sharing, both at the OTBs
3 and online, and we were unable to reach an agreement
4 on a global basis.

5 So we're going forward with the status quo and
6 we are immediately going to address the problem that
7 is confronting Colonial now at Paradocks,
8 their newest mini OTB, and that encapsulates
9 probably six or eight years of history.

10 MS. DAWSON: So the issue of the rebates, as
11 you call it, affects all the SWFs?

12 MR. PETRAMALO: No, not all of them. It
13 affects the newer ones; Scott County, Henry County,
14 Vinton. Who am I leaving out?

15 MR. WEINBERG: Brunswick.

16 MR. PETRAMALO: Brunswick. What's the newer
17 one that we opened up? Oh, the Indian River. Yeah.
18 Indian River was different.

19 MR. WEINBERG: Right.

20 MR. PETRAMALO: The main concerns are
21 Brunswick, Martinsville, Scott County and Vinton.

22 MS. DAWSON: But I mean they're continuing to
23 operate and everything?

24 MR. PETRAMALO: Yes, yes, yes. And were it not
25 for the deals that we have in place, they would be

1 under water, at least three of them.

2 MS. DAWSON: Got you. Okay.

3 CHAIRMAN SIEGEL: Other questions?

4 MS. DAWSON: Thank you for that.

5 CHAIRMAN SIEGEL: Okay. We'll move on. We
6 have a --

7 MR. WEINBERG: I'm sorry.

8 CHAIRMAN SIEGEL: Yes.

9 MR. WEINBERG: Just as a housekeeping matter,
10 it may be appropriate to authorize the executive
11 secretary to approve the agreement, if it is as it
12 has been represented, to upon receipt of a fully
13 signed --

14 CHAIRMAN SIEGEL: We'll certainly do that as
15 part of that motion, because we will not meet --
16 your commitment is to have it worked out by
17 February 1st?

18 MR. WEINBERG: I think we are going to submit
19 the status quo agreement --

20 MR. PETRAMALO: The contract.

21 CHAIRMAN SIEGEL: Right.

22 MR. WEINBERG: -- in the next 24 hours, and
23 then attempt to resolve the Paradocks paradox by
24 February 1st.

25 MR. PETRAMALO: If we do, that would be the

1 subject of a separate agreement.

2 CHAIRMAN SIEGEL: Well, I realize that, but I
3 just hate to wait until our next meeting, which is a
4 couple months down the road, to have Paradocks
5 settled, so I'm just suggesting that if we choose to
6 authorize the executive secretary to execute the
7 agreement, that it would include Paradocks when that
8 is settled, and the goal would be February the 1st
9 and you guys would work it out by then.

10 I just don't want to see you extend all the way
11 into February and settle it a day before the March
12 meeting. So I think that's my only suggestion.

13 MS. BOUZEK: Mr. Chairman, it's not just
14 Paradocks, it's the other two licenses for the other
15 OTBs that stand to hold.

16 CHAIRMAN SIEGEL: Well, its all got to be
17 worked out by February 1st. That's the key. Other
18 questions, comments, concerns?

19 NOTE: There is no response.

20 CHAIRMAN SIEGEL: Okay. There has been a fair
21 amount of work on the part of staff, as well as the
22 folks from the Virginia Gold Cup to have us
23 authorize a pari-mutuel for their meet in May, and
24 I'd just like to introduce the representatives here
25 who will make a brief presentation.

1 Dr. Allison, William Allison, who is the
2 chairman of the Gold Cup, and Michael Pearson, the
3 consultant. Michael's been here before to meetings,
4 and we'd welcome you and ask that you give us a few
5 words.

6 DR. ALLISON: We wanted to thank the Commission
7 for considering our application today, and to thank
8 your staff for all the help getting us here, and we
9 are very proud of our Gold Cup races to be part of
10 Virginia racing history, and we feel like we've
11 ranked up at the top. I think Mr. Gallow may agree
12 with that, but we do say and we brag that our race
13 course itself is one of the top steeplechase
14 courses, and we work hard at it.

15 The Gold Cup contributed the last ten years
16 over three-and-a-half million to keep the course in
17 such great shape. We have wonderful crowds and we
18 feel like they have asked us can we have betting,
19 and so this is one of the first steps.

20 But it is interesting, in the Washington Post
21 last Sunday, they had a comparison of Maryland and
22 Virginia, and the guy from Maryland wrote, he said,
23 you can gamble in Maryland. Virginia has
24 under-the-tailgate betting at the Gold Cup races
25 with those big hats, and a few can act favorably.

1 When on occasion I can write this fellow back and
2 say we have betting at Virginia Gold Cup, plus we
3 are going to encourage the lovely young ladies to
4 come with their big hats and big bosoms. Thank you.

5 CHAIRMAN SIEGEL: Okay. You got that?

6 COURT REPORTER: Yes.

7 MR. PEARSON: I'm just available to answer any
8 questions. I think that I would like to say that we
9 are working very hard with the commission staff to
10 be certain that everything is in strict ordinance
11 with the code of Virginia and the Commission
12 regulations. Integrity and safety and good sport
13 are at the forefront of our application, and if
14 there are any questions, I'm happy to try to answer
15 them.

16 CHAIRMAN SIEGEL: I just say that I know
17 everyone has put a lot of work into this book,
18 including our staff, and I commend them for that,
19 and they certainly represent this Commission in
20 terms of negotiating the details of these kinds of
21 agreements, and I take it the staff is endorsing
22 this.

23 MR. HETTEL: Yes, sir. It's a completed
24 application, and we'd seek approval for the
25 Commission to conduct pari-mutuel wagering this

1 year.

2 CHAIRMAN SIEGEL: Okay. Commissioners'
3 questions?

4 MR. S. REYNOLDS: I have an off-the-wall
5 question. I don't know if logistically you could do
6 it, but could you do it by code? I noticed that
7 (inaudible) is always on Derby Day. Could you ever
8 see a time when people could actually not only bet
9 on the races that they're witnessing, but also bet
10 on the Derby or Derby card?

11 I know you have to have screens and stuff like
12 that, which is probably tough to do, but would that
13 ever be a possibility? I don't know if you could do
14 it by this regulation, but I'm just curious. Or
15 does that just take away from the day?

16 MR. HETTEL: Let's refer to counsel on that
17 one. I believe it's against the law right now.

18 MR. LAWS: I believe it is. And just as a
19 note, I, of course, can't give legal advice to a
20 private party; I can only give legal advice to this
21 board.

22 In my interpretation, that currently wouldn't
23 be allowed, and it might even require a statutory
24 change, and not a change in code or change in
25 regulation.

1 MR. S. REYNOLDS: Okay.

2 MR. PEARSON: As to the screens, we do have two
3 Jumbo Trons for our crowd, and we do show the Derby.
4 Perhaps sometime down the road, some changes could
5 be brought into place.

6 I will tell you that EZ Horseplay has set up at
7 the Gold Cup location in previous years and has
8 conducted wagering there on the Derby. So the
9 interest is there, and we're certainly aware of the
10 things that would need to be accomplished to add
11 that to our menu.

12 MR. S. REYNOLDS: We got 50,000 people there.
13 That's less than half the Derby crowd itself.

14 MR. PEARSON: Sixty-five in the spring, so
15 we're very optimistic.

16 CHAIRMAN SIEGEL: Well, I would just comment
17 that if that is a long-term goal of yours, you may
18 consider looking into the possibilities of promoting
19 some legislation from the Commonwealth.

20 I think that your group has been well thought
21 of for a long time and may garner some respect when
22 it comes to that request, so I'm sure others will
23 work with you, whether it be the VTA or the
24 horsemen, but I think it would be a great change,
25 personally, to the statute.

1 MR. PEARSON: We've discussed that,
2 Mr. Chairman. One thing you say that is foremost in
3 our goal is to continue to be well thought of in the
4 Commonwealth; integrity and safety first, you know.
5 Little steps. We're very happy making little steps
6 and achieving what we need to achieve at each
7 juncture.

8 We hope that what we do at Virginia Gold Cup
9 will be a model for the other race meets in Virginia
10 to step right into the path that we blazed, and that
11 may be the slow way to do things, in our
12 perspective, but we don't want to make any mistakes.

13 CHAIRMAN SIEGEL: Right.

14 MR. PEARSON: Integrity and safety.

15 CHAIRMAN SIEGEL: Certainly, the mission of
16 this Commission is similar, so we indeed are in
17 agreement on that.

18 MR. PEARSON: Thank you.

19 CHAIRMAN SIEGEL: Other comments from
20 commissioners?

21 MR. TROUT: I understand that the secretary --
22 I read the secretary's report, as well as the entire
23 package here, which is excellent reading.

24 I understand that you're basically satisfied
25 with at least that the legal requirements have been

1 met, and I think we will be voting on this in a
2 while, but I think one of the purposes of this
3 Commission is to promote horse racing and
4 pari-mutuel betting, and this is an opportunity to
5 certainly consider that.

6 MR. PEARSON: And education of the public,
7 Commissioner. In our end of the state, a lot of
8 folks don't realize that we have pari-mutuel betting
9 in Virginia.

10 We're gonna undertake an eight- or nine-week
11 program of educating our patrons, how we're gonna do
12 it, who the horses are, what the Commission staff's
13 role is about licensing. We're trying to do a good
14 thing, not just for our meet, but for other
15 steeplechase meets, for the VTA and breeders. We
16 think that will be positive for everyone.

17 CHAIRMAN SIEGEL: And it's also perhaps a good
18 opportunity for Colonial to have your brand, Darryl,
19 and market it out there to those 65,000 people.

20 MR. PEARSON: We're in negotiation with
21 Colonial about that.

22 CHAIRMAN SIEGEL: It's a great opportunity to
23 get in front of a lot of folks and ultimately result
24 in some traffic here in the summer.

25 MS. DAWSON: Mr. Chairman, I have one question.

1 CHAIRMAN SIEGEL: Yes.

2 MS. DAWSON: This is kind of unique, because
3 we've never had this at a steeplechase, but could
4 you, for the record, kind of describe the physical
5 actual structure of how the wagering will take place
6 at the grounds?

7 MR. PEARSON: We're in negotiation about that
8 at this time, and hopefully, we will be able to
9 accomplish that --

10 MS. DAWSON: So it is still being worked on?

11 MR. PEARSON: -- handheld devices. That
12 supposedly is the wave of the future. I've been
13 told by tote companies in ten years, there'll be no
14 need for tickets.

15 Having said that, given the technology roped
16 into one place is pretty difficult. There are not
17 very many wireless contractors that have done what
18 we're gonna try to do on the scale, the physical
19 scale that we have to do it. We're chipping away at
20 that. We think we're closer all the time. We hope
21 to be able to make some announcements by the 1st of
22 February where we are on that.

23 MS. DAWSON: And you'll keep the Commission
24 staff informed?

25 MR. PEARSON: Yes.

1 MS. DAWSON: Thank you.

2 MR. VAN CLIEF: Sir?

3 CHAIRMAN SIEGEL: Yes, Mr. Van Clief?

4 MR. VAN CLIEF: I have a question about that.
5 If this information's already out there, I
6 apologize.

7 Given what I assume are the additional
8 infrastructure elements you're gonna have to have in
9 place to accommodate the wagering, do you have pro
10 formas to project what your economic experience is
11 gonna look like for this? Is there -- I know
12 there's some limited steeplechasing wagering at
13 other venues. Does that give you a guide?

14 MR. PEARSON: That's the \$64 million question.
15 No. Quite honestly, no. We're gonna have to find a
16 way, and we're prepared for it to take some period
17 of time to establish that.

18 Certainly, we're gonna have to be successful
19 for any other meets to follow us, so we're confident
20 with very little steps, while providing excellence.

21 MR. VAN CLIEF: Thank you.

22 CHAIRMAN SIEGEL: We're gonna probably have a
23 meeting of this Commission in late March, and it
24 would be nice to sort of get an update on where you
25 are towards -- obviously, you've got a lot of work

1 to do in a short period of time, it seems, and it
2 would be nice to know what your progress is. You
3 don't necessarily have to appear, but perhaps the
4 staff could make a report, unless you wanted to come
5 and do so yourself.

6 MR. PEARSON: Our motto is no secrets --

7 CHAIRMAN SIEGEL: Our mandate is no secrets.

8 MR. PEARSON: -- and to ask for assistance and
9 guidance, so we're happy to do that.

10 CHAIRMAN SIEGEL: That's great.

11 MR. HETTEL: Mr. Chairman, Mr. Pearson comes
12 regularly to visit with us, and it's an education
13 from both sides. The more we know about him, the
14 better we can serve him.

15 MR. PEARSON: We've been meeting on a weekly
16 basis.

17 CHAIRMAN SIEGEL: All right. Let's plan to
18 talk about it a little bit at the next meeting.

19 MR. HETTEL: Yes, sir. It'll be an agenda
20 item.

21 CHAIRMAN SIEGEL: Any other comments at all?

22 MR. PETRAMALO: Mr. Chairman, I think it's
23 easier to handicap steeplechasers, in my personal
24 opinion.

25 CHAIRMAN SIEGEL: I'll take your advice.

1 MR. HETTEL: I'm going with you.

2 CHAIRMAN SIEGEL: Okay. Well, thank you.
3 We'll, again, take this with our other actionable
4 items, but I trust that the Commission is perfectly
5 in favor.

6 The next item would be the application --
7 renewal application of ADWs. This -- we'll need
8 approval for this as well, and I take it everything
9 is in order.

10 MR. HETTEL: Yes, sir.

11 CHAIRMAN SIEGEL: Okay. Good. Well --

12 MR. PETRAMALO: May I ask a question here?

13 CHAIRMAN SIEGEL: Sure.

14 MR. PETRAMALO: Is Racing 2 Day currently
15 licensed or is this a new application?

16 MR. HETTEL: They're currently licensed. Well,
17 they were licensed last year. They will be renewed
18 this year.

19 MR. PETRAMALO: I've never seen any handle
20 figures for them.

21 MR. LERMOND: I spoke to a representative and
22 asked them, anticipating maybe the question would
23 come up today.

24 Last year was kind of a transition year for
25 them. They were going from one platform to another.

1 I think one of their ultimate goals is to get tied
2 in with the bookmakers in England and get some of
3 that money to come in to and be co-mingled with the
4 pools in the United States, rather than just the
5 bookmakers handling it --

6 MR. PETRAMALO: Right.

7 MR. LERMOND: -- the one guy affiliated with
8 Stan James. Do you recall last year when he came
9 and gave the presentation?

10 MR. PETRAMALO: Yes.

11 MR. LERMOND: So they've done very little in
12 the U.S.; I think mainly just in California, but he
13 did say that 2013 would be a year where they were
14 going to start trying to market to Virginia and some
15 of the other states where they do hold ADW licenses.

16 MR. PETRAMALO: So they currently don't -- they
17 currently don't have any Virginia clients?

18 MR. LERMOND: Not one Virginia resident has
19 wagered a dime through this company, but they're
20 hopeful in 2013 that will change.

21 MR. PETRAMALO: Thank you.

22 CHAIRMAN SIEGEL: Any other questions,
23 comments?

24 NOTE: There is no response.

25 CHAIRMAN SIEGEL: We have actually five

1 actionable items here; the subcommittee report that
2 Sarge made earlier, the amendments that the
3 executive secretary talked about to the statute, the
4 Gold Cup as well. The horsemen's agreement, you're
5 gonna handle it through your office?

6 MR. HETTEL: Right.

7 CHAIRMAN SIEGEL: The Gold Cup, and then of
8 course the renewal of the ADWs. Can I hear a motion
9 to have those approved?

10 MS. DAWSON: So moved.

11 CHAIRMAN SIEGEL: And a second?

12 MR. S. REYNOLDS: Second.

13 CHAIRMAN SIEGEL: All right. Any other
14 discussion on either of these items?

15 NOTE: There is no response.

16 CHAIRMAN SIEGEL: All in favor, say aye.

17 NOTE: The Commission votes aye.

18 CHAIRMAN SIEGEL: The ayes have it. We are
19 approved. There is no need for a closed meeting, as
20 we understand it. We have no issues to discuss
21 there. We will ask for public participation. Any
22 member of the public --

23 MR. TROUT: Mr. Chairman, if I could just ask,
24 did we include in that the authority to the
25 executive secretary to sign the contract?

1 CHAIRMAN SIEGEL: Yes. That certainly was my
2 intention.

3 MR. TROUT: That was one of the ones we just
4 voted on?

5 CHAIRMAN SIEGEL: Yes.

6 MR. TROUT: So we're okay with that now?

7 CHAIRMAN SIEGEL: Yes.

8 MS. DAWSON: I have one thing I'd like to add.
9 Could we be informed by e-mail or some other way as
10 soon as that is done?

11 MR. HETTEL: Yes, sir.

12 MR. PETRAMALO: Let me make sure that I
13 understand this. With regard to the horsemen's
14 contract, hopefully by the end of the day, we will
15 get to Bernie a signed copy, and he has the
16 authority to approve that on behalf of the
17 Commission.

18 CHAIRMAN SIEGEL: We have heard from the two of
19 you that's a done deal, that part of it --

20 MR. PETRAMALO: Great.

21 CHAIRMAN SIEGEL: -- and we authorize the
22 secretary to do that.

23 MR. PETRAMALO: And going forward with regard
24 to any other agreements at Paradocks or any other
25 places, Bernie also has the authority, if the

1 parties have signed off on it, to approve that for
2 the Commission.

3 CHAIRMAN SIEGEL: With February 1st being that
4 date. By February 1st.

5 MR. PETRAMALO: That's our hope. Yes.

6 MS. DAWSON: That should be part of the record
7 here.

8 CHAIRMAN SIEGEL: Well, I think it is.
9 Certainly, it has been stated. That's what this
10 Commission is asking of the parties.

11 MR. PETRAMALO: Okay.

12 CHAIRMAN SIEGEL: You've got time to do it, and
13 I just don't think we should go any longer.

14 MR. HETTEL: Okay.

15 CHAIRMAN SIEGEL: Okay. Any comment from the
16 public? Public participation. Anyone like to make
17 any comment?

18 MR. HETTEL: Mr. Chairman, that's Dr. Dove, of
19 the -- he's from the Old Dominion Hounds and would
20 like to make a comment.

21 DR. DOVE: Thank you, Commissioners, for
22 allowing me to speak. This is not about a
23 pari-mutuel betting issue, so I appreciate the few
24 minutes that you're allowing me.

25 We have a conflict with Colonial Downs on April

1 the 6th, the first Saturday in April this year.
2 They have a steeplechase on the same day that we
3 have a steeplechase.

4 Our steeplechase has been established on this
5 particular weekend for over 30 years. It's Old
6 Dominion Hounds. We have a kennel in Orlean,
7 Virginia. We were established in 1924.

8 The way that we see it is that there are plenty
9 of other weekends Colonial Downs could hold their
10 steeplechase and not affect the local point-to-point
11 races. The local point-to-point are quite important
12 in our part of the country. It's a large part of
13 our annual budget for Old Dominion Hounds. It's a
14 large part of the budget for other hunts as well.

15 So we understand that we may not attract the
16 same horses that may be attracted here, but there is
17 a jockey problem. There aren't enough jockeys
18 qualified for that type of race to run two races,
19 plus there's also a local point-to-point in Maryland
20 on the same day, so now we're trying to cut the pie
21 three ways. We can foresee that we're gonna lose a
22 lot of income, we're gonna lose a lot of entry at
23 our historical point-to-point.

24 We would -- I would like to ask any of the
25 horsemen present here, while I have you here for one

1 moment, to appeal to your sense of fair play and see
2 what you could do about helping us not have this
3 conflict in the future. Thank you.

4 CHAIRMAN SIEGEL: Okay. Dr. Dove, I sympathize
5 with your concern. As you aptly pointed out, you're
6 not a pari-mutuel entity, and so this body, I don't
7 believe, has any jurisdiction here --

8 DR. DOVE: Yes, sir. I understand.

9 CHAIRMAN SIEGEL: -- and so it's not up to us.
10 I would suggest in the future that all the parties
11 get together so that it can -- everyone can have
12 their various meets, and perhaps don't have to split
13 the pie three ways.

14 DR. DOVE: That's what we would like.

15 CHAIRMAN SIEGEL: So in the future, I would
16 think that there would be some communication to help
17 alleviate this problem.

18 DR. DOVE: Yes. Thank you.

19 CHAIRMAN SIEGEL: Anyone else have a comment
20 about that?

21 MS. DAWSON: These dates are what, a year in
22 advance?

23 DR. DOVE: They've been set for decades.

24 CHAIRMAN SIEGEL: You do it on the first
25 Saturday of April?

1 DR. DOVE: Yes, the first Saturday of April
2 every year, and then we can't really move our date,
3 because other hunts have other weekends.

4 CHAIRMAN SIEGEL: Right. At this point, I
5 don't believe Colonial could move theirs, either,
6 far enough down the road, but I don't know that
7 Colonial has to always operate on the first Saturday
8 in April, either, so our suggestion, I guess, would
9 be that you guys work together to make sure that we
10 try to avoid these things, if possible.

11 DR. DOVE: Thank you.

12 CHAIRMAN SIEGEL: Yes, sir.

13 DR. ALLISON: The point-to-point races are
14 having a difficult time to survive, and we are
15 beginning to lose some of our great point-to-point
16 races, like the Casanova races.

17 So for the record, it would be good to state
18 that all consideration should be given to
19 point-to-point dates, because this is the farm club
20 of steeplechase racing. This is where the horses
21 get started, owners and trainers, so any
22 consideration that could be given would be
23 appreciated by fox hunters and point-to-point
24 racers.

25 CHAIRMAN SIEGEL: I think it's fair to say that

1 whether it be pari-mutuel racing here at Colonial,
2 or whether it be point-to-point, it's not a
3 wonderful time financially, so I think anything that
4 benefits one benefits all in the long-term, whether
5 it be the breeders, the horsemen or the racetrack.
6 So I think it's a good suggestion that everyone
7 should support the other whenever possible, because
8 I think it supports the industry.

9 Other comments?

10 MR. S. REYNOLDS: I've got one outside of this
11 topic.

12 CHAIRMAN SIEGEL: Well, I was just gonna say,
13 Dr. Dove, thank you for coming. We appreciate your
14 coming down here to speak to us, and again,
15 hopefully, going forward, that these things don't
16 conflict in 2014 and beyond.

17 DR. DOVE: Thank you.

18 CHAIRMAN SIEGEL: Any other public
19 participation? Any other comments from the public?

20 NOTE: There is no response.

21 CHAIRMAN SIEGEL: Commissioner Reynolds?

22 MR. S. REYNOLDS: Dr. Harden, I got a copy of
23 an e-mail talking about the medication committee,
24 and that you all are gonna be gathering with I guess
25 the mid-Atlantic to talk about the medication policy

1 and all that in mid-February, and obviously, the
2 medication has become a huge topic of conversation
3 all over the country. I know Commissioner Van Clief
4 knows a lot more about it than I do.

5 I don't know if it's appropriate. Do you think
6 you'd be in a position, I don't know whether it's at
7 the next meet or at some point, to maybe report to
8 the group kind of what's going on in the medication
9 world and where Virginia falls in, and just kind of
10 what's going on there?

11 DR. HARDEN: I'd be happy to. I think after
12 our February 6th meeting in Delaware, we'll have an
13 understanding of where the other adjoining states
14 are, and I think it would be very appropriate to
15 share that with the Commission and horsemen.

16 CHAIRMAN SIEGEL: Let's also set that as an
17 agenda item at the next meeting as well.

18 MR. PETRAMALO: Dr. Harden, who is invited to
19 the February 6th meeting?

20 DR. HARDEN: This is the Racing Commissions on
21 the mid-Atlantic area, and I think that also
22 includes West Virginia, Maryland, Virginia,
23 Pennsylvania, New Jersey, Delaware, New York.

24 MR. PETRAMALO: So it's the regulators; no
25 vets, no horsemen, et cetera?

1 DR. HARDEN: That's correct.

2 MR. PETRAMALO: Okay.

3 CHAIRMAN SIEGEL: You're going, right?

4 MR. HETTEL: Yes, sir. Dave is going. Dr.
5 Harden, I think Mr. Pearson is coming with us, and
6 we'll have a full report at the next meeting.

7 It was called by Mike Hopkins at Maryland, and
8 it's a good idea. The mid-Atlantic's got to do the
9 same thing almost in lock-step, or we could lose a
10 lot of horses traveling who rely heavily on those
11 Maryland horses. Alan Foreman is going to be there.

12 MS. DAWSON: I have a follow-up question. Is
13 that to discuss the new model rules that have been
14 adopted by RCIA on medication?

15 MR. HETTEL: That's correct.

16 MS. DAWSON: So those are out there and we can
17 look at those?

18 MR. HETTEL: Yes, and in terms of that whole
19 group, all those states that Dr. Harden enumerated,
20 there will obviously be differences on how they want
21 to --

22 MS. DAWSON: Individual states may vary.

23 MR. HETTEL: Right.

24 MR. VAN CLIEF: Will Alan Foreman be there in
25 his role as a THA rep, and if so, will there be

1 alternative representations?

2 MR. HETTEL: I'm not sure what he'll have on
3 that day. Generally when he speaks, it kind of
4 mixes in position. Sometimes there is a seeming
5 conflict with his representation, but he's generally
6 pretty well informed, and we'll just have to kind of
7 take it.

8 It will be a learning venture for us, of
9 course, and we'll report back, certainly, before we
10 take any action here.

11 What I'd like to do, because you're so well
12 versed on it, let's include you on that committee
13 now. And I know you and I have spoken before about
14 your stance on it, and certainly, the entire
15 industry is on the apex of making a substantial
16 change in racing protocol, and the more we learn
17 about that and the more the rest of the Commission
18 is informed on it, you can certainly help with that
19 education of everybody else here on how we're gonna
20 go forward in the next couple of years.

21 MR. VAN CLIEF: You've overstated my
22 qualifications, but I'm happy to help.

23 MR. HETTEL: No, no.

24 CHAIRMAN SIEGEL: Thank you. Appreciate that.
25 Any other business to come before this

1 Commission before we set the next date for the
2 meeting?

3 NOTE: There is no response.

4 CHAIRMAN SIEGEL: Okay. It has been suggested
5 and I think agreed by the members of Commission and
6 staff that Wednesday, March 27 is a great date.
7 Sometimes there's conflicts from the group, so we do
8 have an alternate date or two to propose, but that's
9 the first one that we all thought worked.
10 Wednesday, March 27.

11 MR. TROUT: That's satisfactory with me.

12 CHAIRMAN SIEGEL: What's that?

13 MR. TROUT: That's fine with me. That's during
14 the day, right?

15 CHAIRMAN SIEGEL: Yeah. It'll be the same
16 time, ten a.m., right here.

17 MR. TROUT: Okay.

18 CHAIRMAN SIEGEL: Is that good for Colonial as
19 well as the horsemen?

20 MR. PETRAMALO: Yes.

21 CHAIRMAN SIEGEL: Okay. So the meeting will be
22 set then for Wednesday, March the 27th, and if
23 there's no other business to come before this
24 Commission, we'll entertain a motion to adjourn.

25 MR. S. REYNOLDS: So moved.

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CHAIRMAN SIEGEL: Second?

MS. DAWSON: Second.

CHAIRMAN SIEGEL: We are adjourned. Thank you,
Ladies and Gentlemen, very much.

NOTE: The hearing is adjourned at
11:06 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 14th day of February, 2013.

SANDRA G. SPINNER
COURT REPORTER