

Virginia Racing Commission

MINUTES

OF THE

COMMISSION MEETING

Wednesday, April 8th, 2015

**Patrick Henry Building
East Reading Room
1111 East Broad Street
Richmond, VA 23219**

In Attendance

Commission Members:

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

Commission Staff:

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

Office of Agriculture and Forestry

Sam Towell, Deputy Secretary of Agriculture and Forestry

Attorney General's Office:

Joshua Laws, Esq.

The meeting was called to order by Chairman Reynolds at 9:59 AM.

Bernard Hettel, Executive Secretary of the Virginia Racing Commission, welcomed new Commissioner Charles Steger, PhD, to the Racing Commission.

Mr. Hettel opened the floor to 2015 nominations for Chairman; Commissioner Carol Dawson moved to reelect Commissioner Sarge Reynolds as Chairman of the Commission and the motion carried unanimously.

Chairman Reynolds opened the floor for nominations of Vice Chairman; Commissioner Dawson moved to reelect Commissioner D.G. Van Clief, Jr. as Vice Chairman. The motion carried unanimously.

The minutes from the December 12th, 2014 Racing Commission meeting were amended by Commissioner Miller and then approved with amendments.

New business before the Commission included three regulatory rule changes for chapter 140, 160, and 180. Amendments in chapter 140 pertain to a horse going off course in a race. Amendments in chapter 160 are related to jockey overweight's and remounting after a fall, both in Steeplechase racing. Amendments in chapter 180 included changes in medication rules. Commissioner Van Clief asked Equine Medical Director Rich Harden several questions connected to the amendments in the medication chapter.

Commissioner Van Clief moved to make the changes included in amended sections of chapters 140 and 160. The motion carried unanimously. Commissioner Van Clief moved to make the changes included in amended chapter 160; the motion carried unanimously.

The next order of business involved the Breeders Fund Management contract managed by the Virginia Thoroughbred Association. Mr. Hettel explained the expenditures of the management contract and similarity to last year's contract. Tad Berman and Wayne Chatfield-Taylor made comments about the Breeders Fund. Commissioner Miller suggested future clarification in the process of the contract and its contents. Chairman Reynolds moved to approve renewal of the Breeders Fund Management contract, the motion was carried unanimously. The Virginia Gold Cup Owner's bonuses in connection with the Breeders Fund were reviewed next. Commissioner Van Clief moved to approve the Virginia Gold Cup Owner's bonuses, the motion carried unanimously.

Advanced Deposit Wagering (ADW) company reports were the next item on the agenda. David Lermond, Fiscal Officer for the Virginia Racing Commission, informed the Commission that the ADW companies TwinSpires, XpressBet and TVG, have each paid the owed source market fee's (percentages to the Thoroughbred Horsemen VAHBPA, the Harness Horsemen VHHA, the Breeders Fund and the Commission). In addition, EZHorseplay has paid the Harness Horsemen (VHHA), the Breeders Fund and the Commission, but has failed to make payment to the Thoroughbred Horsemen (VAHBPA), since November 1st, an amount totaling \$419,351.49.

James Weinberg, counsel for EZHorseplay, explained to the Commission the absence of a contract with a majority thoroughbred Horsemen's group to be the reasoning for not paying the VAHBPA. Mr. Weinberg suggested a future meeting specifically designated to discuss EZHorseplay's position.

Chairman Reynolds made a motion to approve a request from the Gold Cup to offer wagering on the Kentucky Derby the night before the races, Friday, May 1st. The motion was unanimously approved.

Chairman Reynolds made a motion to approve the 2015 Virginia Gold Cup racing officials; the motion was unanimously approved.

Jeb Hannum, Executive Director of the Virginia Equine Alliance (VEA), provided the Commission with progress update from the past few months. This included an overview of Legislation from the 2015 Session, as well as potential racing sites the VEA has visited in seeking racing opportunities in the future. Potential racing sites included Oak Ridge, Woodstock, Morven Park, more days at Great Meadow in association with the Virginia Gold Cup, and other privately owned possibilities.

Dr. Charlie Dunavant, Executive Director of the Virginia Harness Horsemen's Association (VHHA), gave an update on Harness racing in 2015. He informed the Commission his group has been in contact with Oak Ridge to host two weekends of Harness racing in October 2015.

Stephanie Nixon, Vice-President of the VAHBPA, reiterated the lack of payment from EZHorseplay totaling \$419,351.49 since November 2014.

Scott Woogen, VHHA Vice-President, stated he has a new 501(c)(3) Harness Horsemen association with new membership exceeding that of the VHHA.

Stan Guidroz, President of Colonial Downs, informed the Commission that as EZHorseplay has ceased all operation of its ADW Company.

Several other members of the public made comments about the status of racing in Virginia and the effects the lack of racing have taken throughout the state.

At 11:17 AM, a motion was made to go into closed session; the motion was passed unanimously.

At 11:39 AM Chairman Reynolds made a motion to return from closed session; the motion passed unanimously.

Josh Laws, counsel for the Virginia Racing Commission, read the resolution, which instructs the Executive Secretary of the Virginia Racing Commission to issue a notice for a hearing to determine whether or not Colonial Downs and EZHorseplay has complied with the statutes, regulations and conditions of the Virginia Racing Commission concerning its ADW license. Chairman Reynolds made a motion to adopt the resolution; the motion carried unanimously.

Lastly, each Commission member provided comments on the topics discussed in today's meeting.

With no further business set forth on the agenda, the meeting was adjourned at 11:58 AM.