## VIRGINIA RACING COMMISSION

DECEMBER 12, 2014
PATRICK HENRY BUILDING
EAST READING ROOM
1111 EAST BROAD STREET RICHMOND, VA 23219

Commencing at 10:06 a.m.

## COMMISSION MEMBERS:

J. Sargeant Reynolds, Jr., Chairman
D.G. Van Clief, Jr., Vice Chairman

Carol G. Dawson
Stran Trout
I. Clinton miller

## COMMISSION STAFF:

Bernard J. Hette1, Executive Secretary
Courtney C. Reid, Program Support Technician
Kimberly C. Mackey, Office Administrator
David S. Lermond, Deputy Executive Secretary/Fiscal officer

OFFICE OF AGRICULTURE AND FORESTRY:
Sam Towell, Deputy Secretary of Agriculture and Forestry Carrie Chenery, Assistant Secretary of Agriculture and Forestry

ATTORNEY GENERAL'S OFFICE: Joshua Laws, Esq.

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Page

1. Call to Order - Mr. Reynolds
2. Approval of 10-15-14 Meeting Minutes
3. New Business
a. Application for Renewal of ADW Licenses for 2015
i. EZHorseplay ii. TVG
iii. XpressBet iv. Twinspires
4. Commissioner Comments 30
5. Stakeholder Comments
6. Closed Meeting
7. Public Comment Period (None)
8. Adjournment

MR. REYNOLDS: Good morning, everybody. I'd 1ike to call the Friday, December 12th Racing Commission to order. The first order of business is to approve the minutes from the October 15th, 2014 meeting. Has everybody had a chance to review those?

MS. DAWSON: Yes, sir.
MR. REYNOLDS: Are there any comments?
NOTE: There was no response.
MR. REYNOLDS: Do I hear a motion for approval?
MS. DAWSON: So moved.
MR. REYNOLDS: Do I hear a second?
MR. VAN CLIEF: Second.
MR. REYNOLDS: A11 those in favor, say aye. NOTE: The commissioners vote aye.

MR. REYNOLDS: The minutes are approved.
Now we'11 move on to new business, and that is the applications for renewal of ADW licenses for 2015. Bernie, I'm gonna let you take that part.

MR. HETTEL: Mr. Chairman, The Virginia Racing Commission has received applications for renewal of ADW licenses for 2015 from the following organizations and companies; EZHorseplay, TVG, XpressBet and Twinspires. All of them had completed applications on a timely basis, and they
a11 had the applicable fee. I seek approval -- a motion to approve the licenses.

MR. REYNOLDS: Okay. What we'11 do is go through it one by one. we'11 start with EZHorseplay. I'11 ask Mr. Laws to read a motion that we will act upon.

MR. LAWS: Prior to that, Mr. Chairman, did you want to give the parties an opportunity to make a statement?

MR. REYNOLDS: We'11 go down the line.
EzHorseplay?
MR. WEINBERG: Could we reserve the right to make comments after the resolution?

MR. REYNOLDS: Absolutely.
MR. WEINBERG: Thank you.
MR. LAWS: All right. The motion on the floor is as follows: 11 virginia Administrative Code 10-45-20, Subsection A states, quote, No account wagering license shall be granted by the Commission unless the applicant meets the criteria specified in Section 59.1-369 of the code of virginia and these regulations, end quote.

Section 59.1-369 of the code of Virginia states, among other criteria, quote, Notwithstanding the provisions of Section 59.1-392,
the allocation of revenue from advanced deposit account wagering shall include (i) a license fee paid to the Commission; (ii) an additional fee equal to 10 percent of all wagers made within the Commonwealth placed through an advance deposit account wagering licensee, out of which shall be paid: (a) one-half to all unlimited licensees and (b) one-half to representatives of the recognized majority horsemen's group, end quote.

I move that a license be granted to the applicant for renewal of its ADW license upon a demonstration by the applicant of full compliance with Section 59.1-369 of the code of Virginia and all other applicable laws and regulations by January 1st, 2015.

Upon such demonstration which may be submitted to the executive secretary of the Virginia Racing Commission, we approve the applicant's ADW renewal license application and grant a license until such time as an unlimited licensee has been granted -or strike that -- unlimited license has been granted under Sections 59.1-375, 378 and 382 or the license expires pursuant to 11 virginia Administrative Code 10-45-20B.

If the applicant has not demonstrated
compliance by January 1st, the executive secretary shall be permitted to stay the expiration of any license until such time as the VRC can conduct further proceedings related to the conditions described herein.

MR. REYNOLDS: okay.
MR. TROUT: Just a couple questions, just to make sure. What this basically does, is give the executive secretary the authority to essentially sign the contract he received sufficient data by January 1st; but it also states, $I$ believe in there, that if there is an unlimited license granted, I suppose at any point, would that eliminate this agreement?

MR. LAWS: Going to your first question, Stran, it gives the executive secretary power to receive that demonstration of compliance; and to your second question, if an unlimited license is granted under the sections I read, it has to be at a Commission meeting and the Commission can take up the --

MR. TROUT: Take that up at the time?
MR. LAWS: Yeah. At the same meeting.
MR. TROUT: That makes sense.
MR. REYNOLDS: Okay. Hearing the motion, is
there any further discussion? Are there any other questions from the commissioners?

NOTE: There is no response.
MR. REYNOLDS: We're going to read the same motion for all four.

MR. MILLER: Are we going to defer voting on this until we hear from the parties?
mR. WEINBERG: I wasn't going to make a statement, having heard the resolution, unless you would like me to.

MR. MILLER: Do all of the -- does EZHorseplay, TVG, XpressBet, Twinspires, do all of you understand the resolution that was just read? I mean were you able to follow it?

NOTE: There is a positive response.
MR. WEINBERG: I believe so.
MR. MILLER: okay. So that everyone understands what's in the --

MR. BLACKWELL: Excuse me. Brad Blackwell on behalf of Twinspires. I just wanted to confirm. What is the position on the unlimited licensee payment?

MR. LAWS: I'm sorry. what is that?
MR. BLACKWELL: what is the position on the payment to the unlimited licensee?

MR. LAWS: The motion states that Section 59.1-369 of the code of virginia, among other criteria, quote, Notwithstanding the provisions of Section 59.1-392, the allocation of revenue from advance deposit account wagering shall include (i) a licensee fee paid to the Commission, (ii) an additional fee equal to 10 percent of all wagers made within the Commonwealth placed through an advanced deposit account wagering licensee, out of which shall be paid: (a) one-half to all unlimited licensees and (b) one-half to representatives of the recognized majority horsemen's groups, end quote.

Mr. BLACKWELL: So when I hear that, the issue that I'm questioning, is given that there is currently not an unlimited licensee, what happens with that five percent payment?

MR. LAWS: I think the Commission has sent letters to all the parties directing them to comply with what they think the law requires, and unless the Commission has changed that position, that's still in effect.

MR. MILLER: Would you mind just reading slowly through the resolution one more time, just so it's clear? I'm trying to get it clear in my mind what
we're voting for.
MR. PETRAMALO: skip the citations. I think it would be helpful.

MR. LAWS: Do you want me to read the full motion?

MR. MILLER: Yeah, if you would. If you wouldn't mind.

MR. LAWS: Sure. 11 Virginia Administrative Code 10-45-20A states, quote, no account wagering license shall be granted by the Commission unless the applicant meets the criteria specified in Section 59.1-369 of the code of Virginia, and these regulations, end quote.

Section 59.1-369 of the code of Virginia states, among other criteria, quote, Notwithstanding the provisions of Section 59.1-392, the allocation of revenue from advanced deposit account wagering shall include a licensee fee paid to the Commission, an additional fee equal to 10 percent of all wagers made within the Commonwealth placed through an advanced deposit account wagering licensee, out of which shall be paid one-half to all unlimited 1icensees and one-half to representatives.

MR. MILLER: If I can interrupt you. That says
unlimited licensees, plural, correct?
MR. LAWS: Correct.
MR. MILLER: okay.
MR. LAWS: And one-half to representatives of the recognized majority horsemen's groups, end quote.

I move that a license be granted to any applicant for renewal of its ADW license upon a demonstration by applicant of full compliance with Section 59.1-369 of the code of Virginia and all other applicable laws and regulations by January 1st, 2015.

Upon such demonstration, which may be submitted to the executive secretary of the virginia Racing Commission, we approve the applicant's ADW renewal license application and grant a license until such time as an unlimited licensee has been granted under Sections 59.1-375, 378 and 382 or the license expires pursuant to 11VAC10-45-20B.

If the applicants have not demonstrated compliance by January 1st, the executive secretary shall be permitted to stay the expiration of any license until such time as the VRC can conduct further proceedings related to the conditions described herein.

MR. MILLER: Okay. Thank you.
MR. REYNOLDS: A11 right.
MR. TROUT: If I could ask just a couple more things. Is this so much of a staying the execution of the license or the beginning of a license? Are we assuming right now that there is or is not a license to do the EZHorseplay?

MR. LAWS: I think al1 four applicants currently have a license that expires at the end of the year.

MR. TROUT: So this is really talking about the extension of that license or the creation of a new --

MR. LAWS: It's a renewal and creation.
MR. TROUT: If everything is complied with, is basically what that is saying?

MR. LAWS: Correct.
MR. TROUT: As I recall in there, somewhere, it talked about un1imited 1icensee, which there is none at this point. It talked about some funds going to them. Are those funds covered? Is where they are going to go covered in that motion or covered in other activities that we have done?

MR. LAWS: Yes. In the October 31st letters that were sent to the parties.

MR. TROUT: okay.
MR. REYNOLDS: Are there any other questions from the commissioners?

NOTE: There is no response.
MR. REYNOLDS: Hearing none, do $I$ hear a motion to --

MR. PETRAMALO: Can I ask a question? Problem is, when I start talking, you know how dumb I am. MR. REYNOLDS: We11.

MR. TROUT: How smart you are.
MR. PETRAMALO: It's my understanding that what you're proposing to do is make the 2015 1icenses conditional upon the currently licensed ADWs continuing to pay both horsemen's groups, the Thoroughbred and the harness groups their share of the five percent, and paying the five percent that used to go to the unlimited licensee to the Racing Commission to be held in escrow.

MR. LAWS: Yeah.
MR. PETRAMALO: And if they perform in that fashion on January 1st, their licenses will be renewed.

MR. LAWS: Yeah. The motion requires them to comply with Section 369 , as the Commission stated in its October 31st letter.

MR. PETRAMALO: Right. Okay. Now I understand.

MR. REYNOLDS: Okay. I'd like to entertain a motion seeking approval.

MR. MILLER: Mr. Chairman?
MR. REYNOLDS: Yes, sir.
MR. MILLER: I don't know. Probably should have discussed the process for this a little further, but I see two people standing back there - -

MR. REYNOLDS: Oh, I apologize.
MR. MILLER: -- and I assume they're standing for a reason, so.

MR. REYNOLDS: Yeah. I didn't even see them.
I apologize.
MR. BLACKWELL: Brad Blackwell on behalf of Twinspires again. I'm still a little confused. It sounds like what was just explained is that the Commission's position is, according to this letter that went out in October, asking that ADW 1icensees pay a five percent fee to the Commission to be held in escrow, and it is our position, as we have explained in a letter, that given the fact that there is no unlimited licensee at the time, a payment cannot be made to an entity that does not
exist, so our position is that that revenue should rightfully remain with the entity that's actually generating revenue.

What I was hoping I understood was that the ADW would be in compliance with the law when such payment is not made, because that entity does not exist to receive the payment and this issue will be revisited if and when there is an unlimited 1icensee.

MR. CHABRIER: Gene Chabrier on behalf of XpressBet. I think Mr. Blackwell very eloquently explained our position as well.

MR. LAWS: Thank you. Go ahead.
MR. VAN CLIEF: Okay. I'd like to speak to that as well, and I can see where there is confusion. We go to the letter of the motion that Josh just read; it requires compliance with the current statute.

The current statute requires relevant payment to horsemen's groups, relevant payment to the VRC, and relevant payment to the unlimited licensee, which entity currently doesn't exist.

So in everybody's mind in the room, there's a question as where we stand vis-a-vie that last five percent or what used to be the unlimited licensee.

Seems to me you're in compliance, potentially in compliance, once you've made the payments as mentioned before to the horsemen and the Commission.

MR. LAWS: Once the payments are made in accordance with the October 31st letter.

MR. VAN CLIEF: There's a question as to whether you are or are not in compliance, vis-a-vie an unlimited licensee.

MR. LAWS: I think under the motion that a party is in compliance as they follow the law as described in the October 31st letter.

MR. PETRAMALO: That's contrary to the law -that's not the same as what you were saying, D.G. Two different things.

MR. MILLER: Mr. Chairman?
MR. REYNOLDS: Yes, sir.
MR. MILLER: what these folks are saying, as I understand it, the representative for Churchill Downs and XpressBet is that, you know, they are, certainly, in their mind, they are willing to comply. They'11 pay the money to the -- or I may be wrong.

They would pay the money to the horsemen's group. They would pay that five percent, but what
they're saying is that they're in compliance if they do that, because the other five percent they're supposed to pay to the unlimited licensee can't be paid because there is no payee in existence for them to pay it to. Is that correct?

MR. BLACKWELL: You're correct, Mr.
Commissioner. And to say a little further, we do not think that the October letter is reflective of the law. It basically sets forth a position or requests from the Commission.

We do not think that's reflective of the law, so we think there's an inconsistency between what the actual law requires and what the letter being referenced requests.

MR. LAWS: We11, I was going to -- I don't want to cut off the discussion. What I think currently on the floor is EZHorseplay's renewal, and if they don't have any questions or if they don't have any further comments about their renewal, I think we should vote, that the Commission should vote on EZHorseplay's renewal and then move on and let Churchill Downs speak on its own application. MR. WEINBERG: To be clear, our opinion is the same as expressed by the two gentlemen. What I understood the motion to say is you were deferring
that debate to another day.
If the executive secretary says EzHorseplay, for example, is not in compliance because it has not made that five percent payment pursuant to the October 31st letter, you will convene another hearing to decide whether that's compliance or not compliance, but until that day, it is renewed and if --

MR. REYNOLDS: That's correct.
mR. WEINBERG: -- if we go back and decide we are going to reconsider our position, we have the opportunity to do that. If we continue to hold the same position, we will be heard another day.

MR. REYNOLDS: That's well-stated.
MR. MILLER: Okay.
MR. VAN CLIEF: Do you want to relay that for the gentlemen in the back?

MR. LAWS: Not unless they ask.
MR. VAN CLIEF: okay.
MR. REYNOLDS: I don't want to turn this in to

MS. EASTER: This is just quick, just to get everybody who spoke about the horsemen's share and the Commission's share. I just don't want everybody to forget about the Breeders Fund, the
one percent to the Breeders Fund, since it wasn't mentioned.

MR. REYNOLDS: okay.
MS. EASTER: Thank you.
MR. REYNOLDS: Thank you.
MR. LAWS: Is there a motion on the floor?
MR. VAN CLIEF: I'11 make that motion.
MS. DAWSON: I'11 second it.
MR. REYNOLDS: A11 those in favor, say aye.
NOTE: The Commission votes aye.
MR. REYNOLDS: Anybody opposed?
NOTE: There is no response.
MR. REYNOLDS: Hearing none, the motion carries. The next one is TVG. I don't know if they're here or not, but I think --

MR. HETTEL: They couldn't make it today. They are stationed in California and they have had communication with me and the staff. They intend to be compliant as the previous motion was read.

MR. REYNOLDS: okay. Would you like to read that motion --

MR. LAWS: Sure.
MR. REYNOLDS: -- for the record?
MR. LAWS: Sure. 11 virginia Administrative Code 10-45-20A states, quote, no account wagering

1icense shall be granted by the Commission, unless the applicant meets the criteria specified in Section 59.1-369 of the code of Virginia and these regulations, end quote.

Section 59.1-369 of the code of Virginia states, among other criteria, quote, Notwithstanding the provisions of section 59.1-392 the allocation of revenue from advanced deposit account wagering shall include a licensee fee paid to the Commission, an additional fee equal to 10 percent of all wagers made within the Commonwealth placed through an advance deposit account wagering licensee, out of which shall be paid one-half to all unlimited licensees, and one-half to representatives of the recognized majority horsemen's groups, end quote.

I move that a license be granted to any applicant for renewal of its ADW license, upon a demonstration by the applicant of full compliance with Section 59.1-369 of the code of virginia and all other applicable laws and regulations by January 1st, 2015.

Upon such demonstration, which may be submitted to the executive secretary of the Virginia Racing Commission, we approve the applicant's ADW renewal
license application and grant a license until such time as an unlimited licensee has been granted under Sections 59.1-375, 378 and 382, or the license expires persaunt to 11 virginia Administrative code 10-45-20B. If the applicants have not demonstrated compliance by January 1st, the executive secretary shall be permitted to stay the expiration of any licenses until such time as the VRC can conduct further proceedings related to the conditions described herein.

MR. REYNOLDS: It's the same motion as the last one, so unless there is any further discussion, I will enter a motion to approve. Do I hear a motion to approve?

MS. DAWSON: So moved.
MR. REYNOLDS: Do I hear a second?
mR. TROUT: Second.
MR. REYNOLDS: Hearing a motion and a second, I call for a vote. All those in favor, say aye. NOTE: The Commission votes aye. MR. REYNOLDS: All those opposed?

NOTE: There is no response.
MR. REYNOLDS: Hearing none, the motion carries and we will move on to xpressBet. Now I want you all to talk, but you're welcome to get up and say
something, if you want, but --
MR. CHABRIER: Gene Chabrier from XpressBet. I mean just to be perfectly clear.

MR. LAWS: Pause for one second.
NOTE: Sirens sounding outside building.
MR. CHABRIER: Just to be perfectly clear, XpressBet intends on paying the Commission fee and the Breeders Fund and our payment to the horsemen who are recognized in the state. It's xpressBet's opinion that there is no unlimited licensee; therefore, we intend to keep that money ourselves, just to be plain and simple.

MR. REYNOLDS: Okay.
MR. CHABRIER: Once there is another unlimited licensee granted, we will renew that payment at that time.

MR. REYNOLDS: Okay. Thank you. Would you like to read the motion?

MR. MILLER: Could I interrupt just a minute?
MR. REYNOLDS: Yes.
MR. MILLER: It's the same motion?
MR. LAWS: Yes.
MR. MILLER: Do we need to read that? Does anyone require the reading of the motion again, or can we just say in accordance with the previous
motion which will apply to this applicant?
MR. LAWS: I think that's acceptable.
MR. MILLER: Okay. So we can just go ahead and vote?

MR. LAWS: Does the representative from xpressBet have any objection to that?
mR. CHABRIER: No. None at all.
MR. LAWS: Thank you.
MR. REYNOLDS: Well, do I hear a motion to approve the previously read motion?

MS. DAWSON: I so move.
MR. LAWS: As it relates to XpressBet?
MR. REYNOLDS: As it relates to XpressBet.
MR. VAN CLIEF: Second.
MR. REYNOLDS: Do I hear a second?
MS. DAWSON: Second.
MR. REYNOLDS: All those in favor, say aye.
NOTE: The Commission votes aye.
MR. REYNOLDS: All those opposed?
NOTE: There is no response.
MR. REYNOLDS: Hearing none, the motion carries.

The last one is TwinSpires. Do you have anything else you'd like to say?

MR. BLACKWELL: You know, first of all, I
appreciate being here. Again, it has been some time, but I think we've explained our position before. I think it has been consistent, and what I understand is, and I've heard it now three times, is that the motion does not include the Commission letter, so we are fine with the motion.

MR. REYNOLDS: Okay.
MR. LAWS: The motion includes the Commission's understanding of what 369 means, so we're clear.

MR. REYNOLDS: Okay. Do I hear a motion to approve the renewal application for the previous motion read by the Commission for TwinSpires?

MR. TROUT: So moved.
MR. REYNOLDS: Do I hear a second?
MS. DAWSON: Second.
MR. REYNOLDS: All those in favor, say aye.
NOTE: The Commission votes aye.
MR. REYNOLDS: All those opposed?
NOTE: There is no response.
MR. REYNOLDS: Hearing none, the motion carries. All right. Thank you all very much. I'm going to change and put commissioner comments probably at the end of the meeting, if I may do so. So that will take us to stakeholder comments. Are there any stakeholder comments?

MR. STEWART: I'd like to say a couple things, if I could.

MR. REYNOLDS: Yes, sir.
MR. STEWART: Good morning. With me today is Stan Guidroz. He is the regional vice president of Jacobs Entertainment, Incorporated. In January, Stan will assume full responsibility for Colonial Downs. I intend to transition into an advisory role for Stan and for Mr . Jacobs, because at this time, I really need to -- I really want to concentrate on some other parts of my life.

MR. REYNOLDS: Thank you. Welcome, Stan. We look forward to working with you.

MR. GUIDROZ: Thank you.
MR. REYNOLDS: Anything else?
MR. MILLER: Let me say this. Thank you, Ian, for your past service and working with the Commission. Although we've been at loggerheads on some things over the years that I've been on the Commission, we've been in agreement on a lot of things, but $I$ want to say you've always conducted yourself in an honorable manner and it has been a pleasure working with you as being the face of Colonial Downs.

MR. STEWART: Thank you. I appreciate that.

MR. REYNOLDS: Thank you.
MR. HETTEL: Mr. Chairman, I'd like to recognize Frank Petramalo has some comments.

MR. PETRAMALO: I would yield to Ms. Easter.
MR. HETTEL: Okay. Very good.
MS. EASTER: As reported at the last meeting to you, the stakeholders in this state have come together, the VTA, the Harness Association, the HBPA and the Gold Cup, to form a new alliance called the Virginia Equine Alliance.

In light of what's happened at the last meeting, we felt like we all need to get together and push positive things forward so that we could have racing, and whatever we could do to grow and move the industry forward in this state.

So today, I would like to introduce our interim executive director, Jeb Hannum, and he's going to tell you a little bit about himself and just a little bit about what the Equine Alliance has been working on $i n$ the last 30 days or so since we last met.

MR. REYNOLDS: Thank you. Welcome.
MR. HANNUM: Can I stand up, Mr. Chairman?
MR. REYNOLDS: That would be great. Thank you very much, and welcome.

MR. HANNUM: Lots of people here. Thank you, Commissioners. Thank you, Debbie. Just to reiterate, the VEA is a nonprofit group that was established to support and sustain new racing venues for flat and harness racing. The VEA represents the Thoroughbred and harness horsemen and breeders, as well as the Virginia Gold Cup.

As Debbie mentioned, I'm serving as the interim executive director, and Debbie is going to be serving as the interim president.

Just a little bit of background. I grew up with horses and have been involved with racing my whole 1ife.

More specifically to the activities here, I was a former racing commissioner in Pennsylvania. I was appointed by Governor Ed Rende11 in 2008 and served for a term in Pennsylvania, and then subsequently took over running the Pennsylvania Horse Breeders Association, which is amongst one of the best breeding programs in the country.

So I moved to Virginia this past summer with my family, and I look forward to working with all of you in this industry which I love.

In serving in Pennsylvania, I'm very familiar with the issues affecting Virginia, and also some
of the broader pressures that are affecting the Mid-Atlantic region; racing pressures and breeding pressures for the entire industry.

The VEA has developed a package of legislative changes which we feel will help grow racing in Virginia over the long-term, but equally important to support horsemen and breeders in the short-term, which we feel is critical.

There's an urgency to the situation, and we need to send a signal to our horsemen and to our breeders that action is being taken and that we want to encourage investment to remain in the state.

Today, we've made numerous site visits, we've seen a number of promising facilities. we're in discussion with the virginia Gold Cup about hosting additional flat racing next year. We're speaking to other steeple chase sites, including Montpelier about flat racing with pari-mutuel wagering.

Oak Ridge farm could be a potential harness site for next year, as well as the Shenandoah County fair, and we've toured a number of sites in Spotsylvania County for both flat and harness racing.

So it is also important to note that the

Virginia Equine Alliance very much hopes there will be racing at Colonial Downs next year for Thoroughbreds and harness racing, but as we do not know what their plans are, we feel it's important to move quickly with alternative plans that will benefit racing in the state going forward.

Just to reiterate the urgency of the matter, we feel it is critical to keep harping on it that we don't feel that there is time to waste; as we all know that horsemen and breeders have many alternatives in this region.

I look forward to working with the Racing Commission, and I thank you very much for the opportunity to introduce myself and speak about the Alliance today. So thank you.

MR. REYNOLDS: Thank you. Anything else, Debbie?

MS. EASTER: That's it.
MR. REYNOLDS: Frank?
mR. PETRAMALO: No.
MR. REYNOLDS: Nothing today?
mR. PETRAMALO: Nothing.
MR. ReYnolds: with that, that's a great Christmas present, Frank.

MR. PETRAMALO: Well, if the truth be told,
they stopped paying me, so I stopped talking.
MR. REYNOLDS: You know what I feel like. Anyway, well, thank you.

Now I'd like to turn it over to public comment. If you have a comment, please keep it to five minutes or less, and if you make a comment, please state your name for the record, please. I'd like to open it up to the public for any comments.

Something's not right. No comments.
MR. MILLER: Mr. Chairman, no comment. I just want to ask a question of Debbie, please.

MR. REYNOLDS: Yes, sir.
MS. EASTER: Yes, sir.
MR. MILLER: There's a lot of public concern, believe it or not, among people who really follow Thoroughbred racing, and there are still a few of those people in virginia, especially in my part of the state who are very concerned about what the future does hold.

I would like to request, as I mentioned to you in the lobby, that you put together at least a synopsis of your, or executive summary of your proposed legislative changes that you're working on, and try to get it out for public consumption just as soon as possible to lessen some of the
fears people have that perhaps Thoroughbred racing is finished in virginia.

MS. EASTER: Yes, sir.
MR. MILLER: That's -- a lot of people out there feel like that, you know, we've reached the end of the road, and I certainly do not think we have. Mr. Haymore is an eternal optimist, and I am, too, and I think that we'11 be able to work our way through all this.

MS. EASTER: We relish the opportunity, and I've been in the horse business all my life, so there is probably not more of an eternal optimist in this room than I am.

But we really like that. We're real tickled. As we spoke before, we spoke in the secretary's office and with a couple of key legislators, and we wanted to get their opinion, because we'd love to have you all and the whole industry back in something that can move things forward in Virginia, so we'11 get that out as soon as possible.

MR. MILLER: Thank you.
MS. EASTER: Yes, sir.
MR. REYNOLDS: Turn to commissioner comments. Commissioner Trout.

MR. TROUT: Okay. I always have something.

MR. REYNOLDS: Absolutely.
MR. TROUT: People usually call on me early, because that way, I don't have a lot of time to think of a lot of stuff to say.

MR. REYNOLDS: Would you like me to call on you 1ast?

MR. TROUT: No. This is fine.
MR. REYNOLDS: okay.
MR. TROUT: Going back to the 1980s, not going to go through a whole trip of this, we formed a committee in New Kent County to look into whether horse racing was a good idea or not; we decided it was. We tried to promote it. We got it passed in a referendum. The referendum actually ran out before the track opened. We had to do a second referendum, which passed better than the first referendum.

This is the first time in that period of time, which is I'm not sure how many years, a lot of years, that there has not been an immediate prospect of horse racing in the county, and $I$ would cal1 it a low point, except that today, the positive attitude of Debbie Easter and of Jeb and the others who are here show that horse racing is in good hands in Virginia, and that it's not gonna
fade away. It's not gonna disappear, and there are people who are very enthusiastic about making it work, and from New Kent County's point of view, we'd certainly like to see it work in New Kent County.

I will offer, since they're not here today, offer the assistance of our economic development authority and our county administrator to help with that, whether it's working with legislation, whether it's -- we don't have a lot. It's a small county, but anything we can do to help to promote that, to help to keep horse racing certainly as a prime industry in Virginia, which everybody here is in favor of, and also to keep it in New Kent County. We're all for that, and we will do what we can to help out in that regard.

So thank you, Mr. Chairman.
MR. REYNOLDS: Thank you. Commissioner Dawson.
MS. DAWSON: Yes. Thank you, Mr. Chairman.
Thank you, Commissioner Trout. I think that was a very optimistic statement, and I share that view, in contrast to our October 15th meeting, where we were expressing disappointment.

I think I feel today that there is a lot of interest in what Debbie Easter is doing and the

VEA.
I said at the time back on the 15 th that $I$ felt that this was a very resilient industry in the Commonwealth of Virginia, and $I$ was sure they would come up with some plans, which they have done, and so I, too, will be following with great interest their legislative proposals.

I also want to say, too, that I agree with those who say they still are looking forward to seeing some racing at Colonial Downs. I think that would be very good for virginia and would be very good for your county and would be very good for the racing industry in this Commonwealth.

So those are my thoughts at this point. I pledge right now that I'11 do everything that $I$ can to make that happen.

MR. REYNOLDS: Thank you, Commissioner. Mr. Van Clief.

MR. VAN CLIEF: It seems, thankfully, that we're all lining up on the same page here this morning, so I'11 just echo my fellow commissioners.

I think in my mind, certainly one of the most, maybe the most positive concept I've seen in this industry since I've been a commissioner is the creation of the Virginia Equine Alliance. It is
certainly I think the most progressive and holds the most potential. It's a powerful idea, and speaking as a commissioner, I look forward to being in step, to the greatest possible extent, with the Alliance with regards to your legislative agenda, your operating agenda.

Jeb, thanks for your words this morning. Debbie, thank you for your efforts in pulling it together, and I think it gives the industry some much-needed organization, clout, and serious hope for the future. That's probably not a strong enough term. I think we're really in good hands.

At the same time, I also echo Carol's sentiments. I would very much like to think that we are going to see racing continue at colonial Downs. It needs to happen, and hopefully, we can play a beneficial role in helping the comeback of racing on a productive basis at Colonial Downs.

Thank you, Mr. Chairman.
MR. REYNOLDS: Thank you. Commissioner miller.
MR. MILLER: I think I've said my pieces.
MR. REYNOLDS: Okay. That leaves me -- and the first thing I want to say is I want to thank the representatives from, I know TVG couldn't make it, but I want to thank them for doing business in the

Commonwealth. I want to thank you, EZHorseplay, who is part of Colonial Downs, who is here all the time. Thank you for coming.

But I especially want to thank representatives from XpressBet and Twinspires for coming. Thank you al1. Obviously, we know that we have further discussions about how we're going to have this compliance all play out, and we look forward to those discussions with you.

We are in unchartered territories because we don't have a limited licensee right now, but I have to say that we appreciate your business. We want your business. It's very important to have that revenue flowing into the Commonwealth to help promote, sustain and grow the native industry, so we look forward to further discussions with you and how we can build a strong relationship and move forward to everybody's satisfaction. So I look forward to that.

I'd also like to say, echo the comments I think it's a great thing that we have put the VEA together. I think it's great when we're trying to al1 build a coalition together, and $I$ think that's a great, positive development.
I, too, would love to see racing at Colonial

Downs. I think Colonial Downs could play a great role in the larger picture of trying to get this industry moving in the right direction.

Again, as we all know, this was a really tough year, and quite frankly, it was a lousy year, but we are where we are, so hopefully, we can all work together, maybe get some of the legislative priorities addressed in this next session, all work together towards a positive outcome there. I know I and the Commission looks forward to working with you all on those initiatives.

I think 2015 is a renaissance for us, and we can hopefully all work together and move forward. With that said, I'd love to say I enjoyed this year, but I did not enjoy this year. I don't think any of us enjoyed this year, but I do enjoy working with each and every one of you, and I look forward to working with you all in the future.

And with that, I'11 just say happy holidays, and I hope you all have a safe, safe new year. With that, $I$ will seek a motion for adjournment.

MR. VAN CLIEF: So moved.
MR. REYNOLDS: Do I hear a second?
MS. DAWSON: Second.
MR. REYNOLDS: A11 those in favor, say aye.

NOTE: The Commission votes aye.
MR. REYNOLDS: This meeting is adjourned. Thank you all very much.

NOTE: Meeting adjourned at 10:46 a.m.

## CERTIFICATE OF COURT REPORTER

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

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

Given under my hand this 31st day of December, 2014.

SANDRA G. SPINNER
COURT REPORTER

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