

Virginia Racing Commission

MINUTES

OF THE

COMMISSION MEETING

May 21, 2008

**HORSEMEN'S BUILDING
COLONIAL DOWNS
10700 HORSEMEN'S ROAD
NEW KENT, VA**

In Attendance

Commission Members:

Peter C. Burnett, Chairman
William H. (Trip) Ferguson
I. Clinton Miller
David C. Reynolds

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
David Lermond, Jr., Director of Pari-mutuels
Peggy E. Mason, Permitting Manager
Joseph M. Roney, Director of Operations & Enforcement
Marvin A. Sniegion, Director of Financial Management & Planning
Dennis E. West, Director of Operations

Attorney General's Office:

Amy K. Dilworth

At 9:41 a.m., Chairman Burnett called the regular monthly meeting of the Commission to order.

The minutes of the April 16, 2008 meeting were approved.

Chairman Burnett introduced Victor Harrison who will be succeeding Stan Bowker as Executive Secretary for the Virginia Racing Commission. Chairman Burnett stated, "Mr. Harrison has 19 years of experience in the pari-mutuel racing industry, and the Virginia Racing Commission is looking forward to working with him as we enter what we believe will be a new period of growth for racing in Virginia." He also stated that, "His industry experience, along with his management and leadership abilities, will be important in developing and implementing the long-term goals and strategic plans the Commission will be working on throughout this year."

During Commissioners' comments, Chairman Burnett announced he was moving ahead with plans for an Industry Summit to be held late summer or early fall. He said he would like industry stakeholders to provide the Commission with issues that should be addressed at the Summit.

Commissioner Reynolds, Chairman of the Marketing and Promotion Committee, introduced Julie McCracken of CRT/tanaka who provided an update on the marketing activities to date.

In the absence of Commissioner Brown, on behalf of the Standardbred Breeders' Fund Subcommittee, the commission unanimously approved the following:

1. Expend \$280,000 for eight stakes races at \$35,000 per race for two and three-year-olds, both trotters and pacers. This is an increase of \$5,000 per race from previous years.
2. Two stakes races at \$20,000 per race for a total of \$40,000 for four-year-olds and up Virginia Standardbreds. These horses must have been eligible to be nominated as two or three-year-olds for the stakes program. Source of funding will be the harness purse account.
3. Approximately \$25,000 to be set aside for breeders' and stallion awards.
4. Pay a 20% bonus purse supplement to any Virginia Standardbred that places first through fifth in any open race at the upcoming live meet to be held at Colonial Downs. The estimated price tag is \$50,000.

The remaining funds of approximately \$17,000 will be carried over to next year as a reserve fund to cover unanticipated expenses.

Mr. Bowker reported the Standardbred Breeders' Fund Subcommittee also considered an appeal involving eligibility of Standardbred horses for the Virginia breeders' awards and the Subcommittee voted to keep the rules as originally approved in April 2007.

Acting on the recommendation from Mr. Bowker, the Commission approved Colonial Downs' June simulcasting schedule.

Acting on the recommendation from Mr. Bowker, the Commission approved the Colonial Downs export simulcast locations for both the Thoroughbred and Standardbred race meets.

Acting on the recommendation of Mr. Bowker, the Commission approved additional racing officials for the Thoroughbred meet.

The Commission approved the contract for 2008 with the Virginia Harness Horse Association for administration of the Standardbred Breeders' fund.

Acting on the recommendation of Mr. Bowker and at the request of the Racing Officials Accreditation Program, the Commission approved the Stewards Code of Conduct.

Iain Woolnough, General Manager of Colonial Downs, introduced Colonial's new Racing Secretary Tyler Picklesimer. He added there are approximately 200 horses on the grounds at Colonial now and a full stable area is expected by opening day.

Frank Petramalo, Executive Director of the Virginia HBPA, requested \$156,000 be allocated from the breakage fund for a number of projects for 2008. It was moved, seconded and the request was unanimously approved.

Glenn Petty, Executive Director of the Virginia Thoroughbred Association, reported that, more support is needed for the breeding industry. Thoroughbred foals have dropped by nearly half in the past 10 years from approximately 600 to 300. More money and new money is needed especially from the account wagering providers.

Colonial Downs President Ian Stewart said a bigger pie is needed and not just a redistribution of existing revenue sources. He also said that Colonial Downs had resumed the development of an offering memorandum for a possible sale of the track.

The next meeting was set for June 18, 2008.

Prior to the regular monthly meeting, the Commission held an Informal Fact-Finding Conference to consider an application from YouBet.com for an Advanced Deposit Account Wagering license.

After hearing the testimony on behalf of YouBet, Chairman Burnett offered the following motion:

"In accordance with the provisions of Section 2.2-3711 (A)(1) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of

discussion or consideration of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 18 of § 2.2-3705.6.

The motion was seconded and was unanimously approved.

Coming out of closed meeting, Chairman Burnett offered the following motion:

“Whereas, the Virginia Racing Commission has convened a closed meeting on this date pursuant to an affirmative recorded vote in accordance with the provisions of The Virginia Freedom of Information Act; and whereas, Section 2.2-3712 of the Code of Virginia requires a certification by this Commission that such closed meeting was conducted in conformity with Virginia law;

“Now, therefore, be it resolved, that the Virginia Racing Commission certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Commission in the closed meeting.”

The motion was seconded and the vote was as follows: Ferguson, aye; Reynolds, aye; Miller, aye; and Chairman Burnett, aye.

Commissioner Miller then made a motion to approve the ADW license application for YouBet. The motion was unanimously approved with several conditions.

The informal fact finding conference was then adjourned.