

APPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF

COMMISSION MEETING

JULY 20, 2004

NEW KENT COUNTY ADMINISTRATION BUILDING
BOARD ROOM
12007 COURTHOUSE CIRCLE
NEW KENT, VIRGINIA

In Attendance

Commission Members:

Anne D.W. Poulson, Chairman
Peter C. Burnett, Vice Chairman
Mark T. Brown
James G. Davis
Dr. George W. Rimler

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
R. C. Harden, DVM, Commission Veterinarian
David S. Lermond, Jr., Director of Pari-Mutuels
Marvin A. Sniegon, Director of Financial Management and Planning

Attorney General's Office:

Teresa C. Griggs

Special Counsel:

James R. Kibler, Jr.

Following an appeal hearing and a public hearing on proposed account wagering rules, Chairman Poulson called the regular monthly meeting of the Commission to order.

The minutes of the May 19, 2004 meeting were approved as amended.

During the Chairman's report, Chairman Poulson complemented Colonial Downs on the success of Virginia Derby Day. It was well attended and well organized. Several pari-mutuel handle records were established. Virginia racing received good national attention.

She added Chris Bridge and Alan Diamonstein are sending follow-up letters to all of the political leaders who attended and to all of those who did not with some various promotional pieces. Bumper stickers that say, "I love horses, and I vote" are also available.

Chairman Poulson also thanked the Virginia Thoroughbred Association and Virginia Horsemen's Benevolent & Protective Association for their efforts on Derby Day as well as throughout this meet.

With respect to two other issues on marketing. Chairman Poulson said Lauren Messmer is continuing to work with Tourism and is working on a report to the commission, which she hopes to have by the August meeting.

Commissioner Brown reported that the Standardbred Blue Ribbon Committee had met on July 7, 2004. Some ideas have come up will be formulated into a plan starting next month.

Commissioner Burnett reported that the Security and Enforcement Committee had met today for about three hours. He said there was good discussion on a number of issues, but principally any potential regulatory or statutory changes that need to be implemented are taking priority because of administrative deadlines in the next 30 days. The committee will be meeting in early August so if any changes need Commission approval, they will be ready by the August meeting.

Acting on the recommendation of Mr. Bowker, the Commission approved Colonial Downs' August simulcasting schedule.

During the discussion of the Statistical Reviews Year To Date, Mr. Bowker said that the entire system is up 14 percent through June. Thoroughbred handle is up 11.4 percent and the increase is 24 percent for the harness handle.

Mr. Bowker reported he has completed a review of the services provided by both the North American Pari-mutuel Regulators Association and the Association of Racing Commissioners International. He said it is his recommendation that the Commission should join RCI. Then there would be a six-month-period when the Commission will be members of both organizations and a determination can be made later as to which one the Commission really wants to commit all of its efforts.

Other than Maryland and Pennsylvania thoroughbred, all the other tracks on the East Coast provide information to RCI, which gives Virginia considerable more information on participants. Secondly, he said RCI has a fulltime staff, is based in Kentucky and has the most support among the industry leaders as far as regulatory trade associations is concerned.

It was moved by Commissioner Burnett and seconded by Commissioner Brown that Mr. Bowker be instructed to do what is necessary to join RCI. All of the Commissioners voted aye.

During the Colonial Downs' report, James Weinberg, counsel for Colonial Downs, provided updates on the construction progress of the new Vinton satellite facility. He said construction is well underway and provided pictures of the construction. He said the next construction conference call with staff and interested Commissioners would be August 10.

Mr. Weinberg said Colonial Downs' PhoneBet account wagering is off to a soft launch. He said 70 accounts have been signed up without really doing much advertising. The real advertising push is about to commence with advertising in Northern Virginia, direct mail campaigns, newspaper ads, and possible billboard ads. Next month Colonial Downs will be in a position to really expound upon the marketing effort and report some significant numbers.

On advice from counsel, the Commission voted to approve the account wagering bond.

Finally, Mr. Weinberg reported that there were a few changes in the trust agreements for the Jacobs' estate planning matters that are being worked out. The application should be filed within the week and he asked that it be included on the August agenda.

There being no further business before the Commission, the meeting adjourned at 6:30 p.m.

Prior to the regular monthly meeting, the Commission heard appeals from owners Kenneth Taylor and John Salzman and jockey Eric Camacho involving the decision of the Stewards in the disqualification of "PRIVATE CONNECTION" from first place in the Third Race on June 11, 2004 and the subsequent three-day suspension issued to Mr. Camacho.

Following the discussion of the disqualification issue, the Commission moved to affirm the stewards' decision to disqualify "PRIVATE CONNECTION" and place him second. All Commissioners voted aye.

Regarding the suspension of Mr. Camacho, the Commission voted 3-2 to reverse the stewards' decision and that Mr. Camacho's suspension be vacated. Commissioners Poulson, Brown and Rimler voted aye. Commissioners Burnett and Davis were opposed.

The Commission also held a public hearing on Chapter 45 Account Wagering Regulations, both the permanent regulations and the fast track regulations.

Presentations were made by representatives of TVG, YouBet, AmericaTab, XpressBet, Colonial Downs PhoneBet, the Virginia Horsemen's Benevolent & Protective Association and the Virginia Harness Horsemen's Association.

Chairman Poulson reminded everyone that the record would remain open until August 13, 2004 for the permanent regulations and September 10, 2004 for the fast track regulations. Commissioners will be reviewing all information received for the closing of each record.