

# **Virginia Racing Commission**

## **MINUTES**

### **OF THE**

### **COMMISSION MEETING**

**March 17, 2010**

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

#### **In Attendance**

##### **Commission Members:**

Peter C. Burnett, Chairman  
Clinton Miller, Vice Chairman  
Mark Brown  
David C. Reynolds  
Stuart Siegel

##### **Commission Staff:**

Victor I. Harrison, Executive Secretary  
David S. Lermond, Jr., Deputy Executive Secretary  
Kimberly M. Carter, Office Administrator  
Joseph M. Roney, Director of Security & Enforcement  
Dennis E. West, Director of Operations

##### **Attorney General's Office:**

Amy K. Dilworth (By telephone)

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At 9:34 a.m., the monthly meeting of the Commission was called to order by Chairman Burnett.

Commissioner Siegel moved to approve the minutes of February 17, 2010 as amended. The motion carried; five for, none opposed.

Chairman Burnett led a discussion on the Breeders Fund Subcommittee recommendation. Deputy Executive Secretary Lermond informed the group that the 2010 thoroughbred owners' bonus, for registered VA-bred horses, will be 60% first through fourth positions, running in open company and a 25% purse supplement in restricted races to all VA-bred finishers. The combined 60% bonus and the 25% supplement will be capped for the 2010 race meet at \$550,000. There will be Six VA-

bred stakes races whose purses will be supplemented by a cumulative \$120,000 and a 10% breeder's bonus awarded to horses that qualify for the 60% owners' bonus. The year-end breeder/stallion awards will total an estimated \$290,000. The Subcommittee agreed to come back to the Commission with an amended proposal if the amount available for the year-end awards is substantially different than this projection. Chairman Burnett moved to approve the proposal, seconded by Commissioner Brown. The motion carried; five for, none opposed.

Executive Secretary Harrison presented the Colonial Downs March hours-of-operation request. The track is extending their Sunday and Tuesday hours of operation. It was moved by Commissioner Brown to approve the March request. Seconded by Commissioner Reynolds. The motion carried five for, none opposed.

Mr. Harrison said that Strawberry Hill (State Fair) had withdrawn their application for a limited license for pari-mutuel wagering at their May 15<sup>th</sup> event. There followed a discussion of licensing costs, admissions charges, liabilities and political contributions from board directors. Wagering will still be available at this year's Strawberry Hill races but limited to simulcast-only, including the Preakness Stakes.

Gregg Scoggins made a presentation with respect to the two Magna entities that are licensed in Virginia, XpressBet and AmTote International. He informed the commission that Magna filed for Chapter 11 protection along with several subsidiaries about a year ago, and have been working through the process of emerging from bankruptcy and reorganization in a way to allow it to move forward as a stronger entity. Mr. Scoggins showed that Frank Stronach remains the controlling entity and that the day to day management of XpressBet and AmTote will not change although there may be one or two new officers or directors under the new alignment. Mr. Scoggins promised to supply the Commission with a court approved plan as soon as possible so that the AG's office can properly offer the Commission guidance on this issue. He agreed to underwrite the VRC cost of outside counsel if such counsel is deemed necessary.

Mr. Harrison informed the Commission that as required by the Code of Virginia, the 2009 VRC Annual Report has been submitted to the Governor's office, legislature, Library of Virginia and was posted to the VRC web page by the annual March 1 deadline.

During the discussion of the timeliness of the March 10% Source Market Fees, the Commission was informed that all 5 licensed ADW providers had complied with the Statute and with our reporting requests – copying the VRC staff with their proof of payments by the 10<sup>th</sup> of the following month.

Director of Operations Dennis West gave a capsule summary of the VRC licensing hours for the Thoroughbred race meet. The permitting office will be open 6 days per week – closed only on Thursdays.

Deputy Executive Secretary Lermond presented the changes for approval of the Final Amendments to Chapter 60, Chapter 110, and Chapter 140. After a review of the proposed changes, Chairman Burnett suggested that the amendments be referred to the Code Revision and Rules Committee and then presented to the Commission for final approval at the April VRC meeting.

During the discussion of the approval of the Thoroughbred Horsemen's Agreement, Mr. Harrison pointed out the changes to the prior staff report. He noted the deletion of the perceived problematic references to the Amended and Restated EZ Horseplay Agreement in the Thoroughbred Horsemen's Agreement and the continued recommendation from the VRC staff to approve the contract. Mr. Weinberg stated he had added VRC requested language for access to information. Commissioner Siegel moved to approve the request, seconded by Commissioner Reynolds. The motion carried five for, none opposed.

During the discussion of the Standardbred race days, Mr. Stewart informed the commission that his request had been amended to 21 days of Standardbred racing for 2010 commencing Friday, September 17<sup>th</sup>, and ending on Tuesday, October 19<sup>th</sup> and that higher purses are needed to attract a higher caliber of horsemen. Dr. Dunavant, representing the VHHA stated his case for 28 days and drew comparisons to the higher echelon tracks and the tracks with the lower purse averages and that Colonial resided in between those two extremes. It was moved by Commissioner Brown to award 28 days at an average purse level of \$50,000 a day. Seconded by Commissioner Miller, all were in favor, the motion carried, 5 for, none opposed.

Chairman Burnett read the following motion. "Pursuant to Virginia Code 2.2-3711(A)(7), I move the Commission convene a closed meeting for the following purpose: Consultation of legal counsel employed or retained by the Commission regarding specific legal matters requiring the provision of legal advice by such counsel." Seconded by Commissioner Siegel. All were in favor by saying aye.

Returning from closed meeting, Chairman Burnett resumed as follows: "I hereby certify that in accordance with Virginia Code Section 2.2-3712 that to the best of each member's knowledge, one, only public business matters lawfully exempted from open meeting requirements under this chapter and, two, only such business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in this meeting." All were in favor by saying aye.

There being no further business, Wednesday, April 28<sup>th</sup> was set as the date of the next meeting to be held at the Horsemen's Building, Colonial Downs, 10700 Horsemen's Road, New Kent, VA. It was moved, seconded, and carried to adjourn the March, 2010 monthly meeting of the Commission.