

UNAPPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF THE

COMMISSION MEETING

July 19, 2006

STATE CORPORATION COMMISSION
TYLER BUILDING, COURTROOM B
1300 EAST MAIN STREET
RICHMOND, VIRGINIA

In Attendance

Commission Members

Mark T. Brown, Chairman:
Peter C. Burnett, Vice Chairman
David C. Reynolds
Dr. George W. Rimler

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
David S. Lermond, Jr., Director of Pari-mutuels
Marvin A. Sniegon, Director of Finance & Planning

Attorney General's Office:

Teresa Griggs

At 9:43 a.m., Chairman Brown called the meeting to order.

The minutes of the June 21, 2006 meeting and working session were approved as amended.

Chairman Brown said one of the policies the Commission is dealing with involves *ex-parte* communications. Commissioner Burnett said he would like to invite comments from the stakeholders before a policy is finalized. Stakeholders were asked if they wanted to offer comments, they should be submitted to the Commission Office by August 7, 2006.

Commissioner Reynolds, Chairman of the Racing Industry Partnership Task Force, reported the Task Force has evaluated six responses to the RFP and had invited three of the respondents for interviews on Thursday, August 17 at the Tourism Corporation. In early September, the Task Force will prepare a recommendation to go to the full Commission by September 10 in preparation for the Commission's September 20 meeting.

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

Mr. Bowker updated the Commission on rules involving tote security are moving through the Rules Committee of the Association of Racing Commissioners International.

Mr. Bowker also reported that the director of the Maryland Racing Commission Laboratory, the Commission's official testing laboratory, has resigned effective August 15 and the Executive Director of the Maryland Racing Commission has requested that its laboratory be let out of its contract for the 2006 harness meet. Mr. Bowker said an Invitation to Bid is being prepared to seek a replacement.

Mr. Bowker said sections 11 VAC 10-70 and 90 of the Commission's regulations have been signed by the Governor and the permanent rules will be in place on November 4, 2006. In the meantime the Commissioners were asked to approve the regulations specifically for the 2006 harness meet. It was moved, seconded and unanimously approved that sections 11 VAC 70 and 90 be in place for the 2006 harness meet.

Frank Petramalo, Executive Director of the Virginia Horsemen's and Protective Association, updated the Commission on the lack of progress of negotiations involving the horsemen, Colonial Downs and YouBet on agreement needed for YouBet to receive an advance deposit account wagering license in Virginia. He said it is time for the Commission to take action against YouBet for operating illegally in Virginia.

Chairman Brown said the Commission would consider his comments when it went into closed session for legal advice.

Glenn Petty, Executive Director of the Virginia Thoroughbred Association, updated the Commission on the use of marketing funds the Commission had approved for the VTA to use during the Colonial Cup weekend at Colonial Downs.

President Charles Dunavant and Dr. Scott Woogan, representing the Virginia Harness Horse Association, raised several issues involving the Stewards at past harness meets. After considerable discussion on a number of issues involving the harness meet, the following was decided:

1. The Commission would undertake a complete review of the harness rules following the 2006 meet.

2. The Stewards would meet weekly with representatives of the horsemen and Starter Bill Faucher to review any incidents from the previous week of racing.
3. Mr. Bowker will check with the United States Trotting Association to see if they have any video tapes involving incidents from other areas of the country for our Stewards to review.

Acting on the recommendation from Mr. Bowker, the Commission approved the appointment of the following Stewards for the 2006 Harness Meet:

Jean Chalk, Chief Commonwealth Steward
George Hickman, Commonwealth Steward
Phillip Wentworth, Commonwealth Steward

Colonial Downs President Ian Stewart provided an update on the live thoroughbred meet including the Virginia Derby.

Commissioner Rimler announced that this would be his final meeting as a Commissioner as he has submitted his resignation effective July 31, 2006 as he will be changing his residency after August 1. He thanked the people of Virginia for giving him the opportunity to serve the past 2 ½ years. He thanked Chairman Brown, Commissioners Burnett and Reynolds for their support as well as the Commission staff.

The next meeting of the Commission was set for Wednesday, August 16, 2006.

“In accordance with the provisions of Section 2.2-3711 (A)(7) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Commission, and consultation with legal counsel employed or retained by the Commission regarding specific legal matters requiring the provision of legal advice by such counsel regarding YouBet.”

The motion was seconded and was unanimously approved.

Coming out of closed meeting, Chairman Brown offered the following resolution:

“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 by Vice Chairman Burnett and the vote was as follows: Burnett, aye; Reynolds, aye; and Chairman Brown, aye. Commissioner Rimler did not participate in the closed session.

There being no further business before the Commission, the meeting adjourned at 12:25 p.m.