

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF APRIL 1, 2002

A meeting of the New York State Racing and Wagering Board was held on Monday, April 1, 2002 at 11:30 a.m. at the Racing & Wagering Board's Albany Office located at 1 Watervliet Avenue Extension, Albany, New York.

The meeting was called to order at 11:32 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Edward Martin, Executive Director

Sheila Osterhout, Secretary to the Board

Robert Feuerstein, General Counsel

James Kellogg, Audits & Investigations

Joe Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Stacy Walker, NYSR&WB

Charlie Coppola, Coppola, Ryan & McHugh

Giorgio DeRosa, Bolton-St Johns Inc.

Jason Wheatley, NYS Senate

Robert Cardillo, NYC OTB

Paul D' Onofrio, Monticello Raceway

Steve Bochnak, NYS Assembly

Bill Crowell, WEMED

OPEN COMMENT PERIOD: None

A. The Board approved the minutes of the Board meeting held on February 27, 2002.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. NYRA REQUEST TO AMEND PLAN OF OPERATION - SPECIAL EVENTS, ETC.

For entry into the minutes, on February 25, 2002, approval was granted for the request by NYRA to amend their simulcast plan of operation by designating a Santa Anita Racecourse guaranteed one million dollar pick-six wager on Saturday, March 2, 2002 as a “ special event” . If no one anywhere participating in this pick-six pool properly selects all six winners on Saturday, March 2nd, NYRA patrons may also participate in the carry-over pool on Sunday, March 3, 2002.

Also approved as “ special events” were two Grade III stakes emanating from Tampa Bay Downs in Florida on Sunday, March 17th. These two stakes races are the Florida Oaks and the Tampa Bay Derby.

2. NASSAU OTB REQUEST FOR VARIOUS SIMULCAST LOCATIONS FOR 2002

For entry into the minutes, on February 25, 2002, approval was granted for the request by Nassau Regional OTB to amend their simulcast plan of operation enabling the import of simulcasts from the year 2002 harness race meeting conducted at Pocono Downs in Pennsylvania.

This approval extends to Suffolk Regional OTB as well.

3. MONTICELLO RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS FOR 2002

For entry into the minutes, on March 1, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of simulcasts from Freehold Raceway in New Jersey on Tuesdays and such other NYRA “ dark days” as may occur during the year 2002.

This approval is effective immediately and is valid for the entire year 2002 racing season at Freehold Raceway.

* For entry into the minutes, on March 19, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the export of simulcasts to The Racing Channel and to YouBet, effective immediately.

This approval is valid for the entire year 2002 Monticello racing season.

* For entry into the minutes, on March 21, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of simulcasts from Keeneland Race Course in Kentucky and from Hazel Park in Michigan.

The Keeneland approval is for the Spring meeting only that concludes on April 26th. The Hazel Park approval is for the calendar year of 2002.

4. VERNON DOWNS REQUEST TO SIMULCAST VARIOUS LOCATIONS FOR 2002

For entry into the minutes, on March 1, 2002, approval was granted for the request by Vernon Downs to amend their simulcast plan of operation enabling the import of simulcasts from Pocono Downs in Pennsylvania and Raceway Park in Toledo, Ohio during the year 2002.

These approvals are valid for the entire year 2002 racing season at Pocono Downs and Raceway Park. The simulcasts may be accepted whenever permissible under current Racing Law.

* For entry into the minutes, on March 21, 2002, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of simulcasts from Keeneland Race Course in Kentucky, the in-state thoroughbred racetrack of Finger Lakes and from Hazel Park in Michigan. The Keeneland approval is for the Spring meeting only that concludes on April 26th .

5. YONKERS RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS FOR 2002

For entry into the minutes, on March 1, 2002, approval was granted for the request by Yonkers Raceway to amend their simulcast plan of operation enabling the import of simulcast signals from Raceway Park in Toledo, Ohio and from Harrington Raceway in Harrington, Delaware.

6. CAPITAL OTB REQUEST TO CLOSE TWO BRANCHES

For entry into the minutes, on March 1, 2002, approval was granted for the request by Capital OTB to close the St. Lawrence County off-track betting facilities in Massena at 2 Willow Street and in Ogdensburgh at 201 Fine Street on or before April 30, 2002.

7. FINGER LAKES REQUEST TO ADD TWO NEW DOUBLE WAGERS

For entry into the minutes, on March 7, 2002, approval was granted for the request by Finger Lakes to amend their plan of operation for the addition of two new “ double” wagers to each day’ s card of races. The first of these two new “ double” wagers would be comprised of races three and four, while the second “ double” wager would be on races eight and nine. The new “ double” wagers would be in addition to the wagers approved with the year 2002 track license.

The Board also acknowledges that on Sunday, March 10, 2002 the annual Toy Train Show held by the Toy Train Collectors’ Society will be held at the Finger Lakes lower clubhouse.

8. NYRA REQUEST FOR VARIOUS PROMOTIONS

For entry into the minutes, on March 7, 2002, approval was granted for the request by NYRA to amend their plan of operation enabling the implementation of the following promotional

requests:

- The addition of a special one time double wager – Acorn Stakes on Friday, June 7th and the Belmont Stakes on Saturday, June 8th
- A \$500,000 Guaranteed Pick-4 Pari-Mutuel Pool on Belmont Stakes Day – Saturday, June 8th
- A \$1 Million Guaranteed Pick-6 Pari-Mutuel Pool on Belmont Stakes Day – June 8th
- A drawing for a \$5,000 Betting Voucher on Belmont Stakes Day
- A \$1 Million Guaranteed Pick-4 Pari-Mutuel Pool on Travers Day – August 24th
- Seven separate Mystery Voucher mailings with the vouchers redeemable on certain specified dates
- The ability to offer a second Superfecta Wager on any NYRA Stakes Race with a purse of \$500,000 or greater
- An Amateur Jockeys Non-Wagering Race before the pari-mutuel racing program on Sunday, December 1st

9. REQUEST FOR EXTENSION OF APPRENTICE JOCKEY ALLOWANCE - LEZCANO

For entry into the minutes, on March 7, 2002, approval was granted for the request for an extension of the qualified apprentice year of jockey Lorenzo Lezcano of an additional 7 days.

Mr. Lezcano' s date of record for the expiration of his apprenticeship allowance is now March 21, 2002.

10. NEW YORK CITY REQUEST TO SIMULCAST DUBAI WORLD CUP

For entry into the minutes, on March 11, 2002, approval was granted for the request by New York City OTB for an addendum to a current valid contract between the New York City OTB Corporation and Arlington International Racecourse. This addendum, dated March 5, 2002, enables the simulcast of four thoroughbred races from Dubai in the United Arab Emirates on Saturday, March 23, 2002. There is scheduled to be a seven-race program on this day. New York City OTB has contracted for races four through seven with the rights holder to the races of Dubai

World Cup Day, Arlington International Racecourse.

The single race known as The Dubai World Cup will command a payment rate of four percent (4.0%) on all pari-mutuel pools, regular, multiple and exotic as per contract. All other races simulcast on this same World Cup 2002 race program from Dubai require a two percent (2%) rate for all wagers in all pari-mutuel pools.

Other stakes races on the Dubai World Cup 2002 race card, including the Dubai Golden Shaheen, the Dubai Sheema Classic and the Dubai Duty Free can be simulcast and wagering taken under Section 1017-a of the Racing Law. All events are scheduled to conclude before the initial in-State thoroughbred race of the day at the operating NYRA track (Finger Lakes has yet to begin its 2002 season).

This approval extends to all other Regional OTB corporations in New York State should they choose to simulcast and take wagering on any (all) such races.

11. FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on March 14, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the exportation of simulcasts in-state to Saratoga Harness during the year 2002 Finger Lakes racing season.

* For entry into the minutes, on March 19, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the exportation of simulcasts from the year 2002 Finger Lakes thoroughbred race meeting to the Capital District Regional Off-Track Betting Corporation.

* For entry into the minutes, on March 19, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the exportation of their simulcasts in-state to the Western Regional Off-Track Betting Corporation's ITW located at Batavia Downs during the year 2002 racing season.

* For entry into the minutes, on March 21, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the exportation of the daily Finger Lakes simulcast in-state to the Mid-State Raceway (Vernon Downs) and to the Nassau Regional Off-Track Betting Corporation during the year 2002 racing season.

12. MONTICELLO RACEWAY REQUEST FOR ADDITIONAL RACE DATES

For entry into the minutes, on March 14, 2002, approval was granted for the request by Monticello Raceway to amend their plan of operation with the addition of two Thursday racing programs.

The newly approved dates are Thursday, March 28th and Thursday April 4th. As with other Monticello Raceway live racing programs, these two newly approved Thursday live programs will have a first post time of 1:10 p.m.

13. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on March 19, 2002, approval was granted for the request by Saratoga Harness to amend their simulcast plan of operation enabling the import of simulcast signals from The Maryland Jockey Club racetracks known as Pimlico Racecourse and Laurel Park in Maryland.

Also approved, under the Board's policy of simulcast licensees filing all export contracts that are new or with an in-state or contiguous state entity, is the Saratoga Harness export of its simulcast to Suffolk Downs and its outlets:

Ø Lakes Region Greyhound Park in Belmont, NH

Ø John Martin Manor Restaurant in Waterville, ME

Ø Millers Restaurant in Bangor, ME

Ø Step Two, LLC d/b/a Pat's Pizza in Sanford, ME

Ø Rockingham Park in Salem, NH

Ø Seabrook Greyhound Park in Seabrook, NH

Ø Brockton Fair In Raynham, MA

Ø Three County Fair in Northampton, MA

Ø Excelsior Casino NV c/o Holiday Inn in Palm Beach, Aruba

* For entry into the minutes, on March 21, 2002, approval was granted for the request by Saratoga Equine Sports Center to amend their simulcast plan of operation for an agreement with Arlington International Racecourse. This agreement enables the simulcast of four thoroughbred races from Dubai in the United Arab Emirates on Saturday, March 23, 2002. There is scheduled to be a seven-race program on this day. Races four through seven have been contracted for by Saratoga Equine Sports Center with the rights holder to the races of Dubai World Cup Day, Arlington International Racecourse.

The single race known as The Dubai World Cup will command a payment rate of five percent (5%) on all pari-mutuel pools, regular, multiple and exotic as per contract. All other races simulcast on this same World Cup 2002 race program from Dubai require a three and one half percent (3.5%) rate for all wagers in all pari-mutuel pools.

Other stakes races on the Dubai World Cup 2002 race card, including the Dubai Golden Shaheen, the Dubai Sheema Classic and the Dubai Duty Free can be simulcast and wagering taken under Section 1017-a of the Racing Law. All events are scheduled to conclude before the initial in-state thoroughbred race of the day at the operating NYRA track (Finger Lakes has yet to begin its 2002 season).

14. CAPITAL OTB REQUEST TO CLOSE BRANCH – RAVENA

For entry into the minutes, on March 19, 2002, approval was granted for the request for the closing of the Capital District Regional Off-Track Betting facility located in Ravenna (Albany County) on Route 9W on or before April 30, 2002.

15. NYRA REQUEST TO DESIGNATE RACES OF SPECIAL INTEREST

For entry into the minutes, on March 21, 2002, approval was granted for the request by NYRA to

designate various out-of-state thoroughbred events, including graded stakes races, during the months of April and May as “ special events” . Approved are the following:

Ø The Illinois Derby from Sportsman’ s Park on April 6th

Ø A Special Double combining the Illinois Derby and the Santa Anita Derby on April 6th

Ø The Big 3-Pick 3 combining the Wood Memorial from Aqueduct, the Blue Grass Stakes from Keeneland and the Arkansas Derby from Oaklawn Park on April 13th

Ø The Sixty Sails Handicap from Sportsman’ s Park on April 28th

Ø The Guaranteed \$1 Million Pick Six Wager from Hollywood Park on April 28th

Ø A Special Double combining the Kentucky Oaks on Friday, May 3rd and the Kentucky Derby on Saturday, May 4th, both races simulcast from Churchill Downs.

C. ITEMS PREVIOUSLY APPROVED, DENIED OR DEFERRED BY THE BOARD

1. NYRA REQUEST FOR PLANS FOR BELMONT CHILD CARE CENTER

For entry into the minutes, on March 18, 2002, approval was granted for the request by NYRA for the issuance of a permit for the construction of the Belmont Child Care Center pursuant to Section 239 of the Racing Pari-Mutuel Wagering and Breeding Law.

Pursuant to Section 209-a of the Racing Pari-Mutuel Wagering and Breeding Law the Board also approved the lease agreement between NYRA and the Belmont Child Care Association, Inc. for operation of the facility.

D. ITEMS TO BE APPROVED, DENIED OR DEFERRED BY THE BOARD

1. IN THE MATTER OF GREGORY J. BLOWERS

The Board approved the recommendation of Hearing Officer Hoblock that the harness owner license application of Gregory J. Blowers be deemed withdrawn in view of the request that his application be considered for a license as a groom, and the application be denied based upon his actions on August 5, 2001 at the Syracuse Fairgrounds.

2. IN THE MATTER OF KEVIN J. CUMMINGS

The Board approved the recommendation of Hearing Officer Baller that the following decisions of the judges at Buffalo Raceway concerning two separate driving violations be affirmed:

1. A license suspension of eight (8) days for violation of Board Rule 4117.4(a) while driving the horse DARLING LEGACY in the fourth race on November 9, 2001 (Notice BU 52/01).
2. A license suspension of eight (8) days for violation of Board Rule 4117.4(b) while driving the horse TASTES TANGY in the sixth race on November 9, 2001 (Notice BU 53/01).

3. IN THE MATTER OF JAMES M. DUNN

The Board approved the recommendation by Hearing Officer Baller that the decision of the judges at Buffalo Raceway, which suspended Mr. Dunn's driving license for eight (8) days for violation of Board Rule 4117.4(a) while driving the horse PARADISE CHIEF in the fourth race on December 1, 2001 be upheld.

4. IN THE MATTER OF JOSEPH V. MUSCARA AND JOHN W. WYATT

The charges against Mr. Muscara were withdrawn during the proceeding.

The Board approved the recommendation of Hearing Officer Martin that the charges against Mr. Wyatt be dismissed and that the Presiding Judge at Yonkers Raceway is directed to investigate the possibility that respondent Wyatt conspired to circumvent a Board order of suspension and to take all appropriate measures indicated by such investigation with regard to the handling of the claims for horses in the 12th race at Yonkers Raceway on June 20, 2000.

5. IN THE MATTER OF STEVEN F. NANNA

The Board approved the recommendation by Hearing Officer Baller that the decision of the judges at Saratoga Raceway, which disqualified the horse READY TO CLIMB, and placed the horse from third to sixth place, based upon a finding of violation of the passing lane rule (4117.17) in the 5th at Saratoga Harness on August 25, 2002 be upheld as a placement decision. The Board' s decision was based in part on the precedent, IN THE MATTER OF NORTHERN JEWEL, dated September 15, 2000.

6. FINGER LAKES REQUEST FOR APPROVAL OF AGREEMENT FOR TOTALISATOR SYSTEM

The Board approved the request by Finger Lakes for the utilization of the new United Tote Pari-Mutuel system, pursuant to Section 313 of the Racing Law.

This approval is effective immediately.

7. FINGER LAKES REQUEST FOR ROSTER OF RACING OFFICIALS

The Board deferred the approval of the roster of racing officials to be employed by Finger Lakes for the year 2002. Authorization to approve the roster of racing officials was delegated to Chairman Hoblock.

Raymond D. Royston Lynn M. Wagner

All others on the list submitted by Finger Lakes are currently licensed and in good standing. The Board is aware that some of the individuals listed above may not yet have returned to the Finger Lakes region for the upcoming race meeting and are expected in the next few weeks.

8. MONTICELLO RACEWAY REQUEST TO WITHDRAW FROM CIF - \$19,437.70

The Board approved \$15,788.97 of Monticello Raceway's January 29, 2002 request to withdraw \$19,437.70 from its Capital Improvement Fund for reimbursement of capital improvement expenditures.

In addition, the Board denied without prejudice \$3,232.50 for a Multimedia Website Development Project and \$416.23 for the purchase of a typewriter for the Racing Secretary's Office. The Board determined that expenditures for backstretch improvements and other budgeted CIF items must be increased substantially before these expenditures will be reconsidered.

Backstretch (58%)

Hot water heater for Barn " Z" \$ 220.85
Supplies to repair Barns F, I, O, R, & S 1,293.53
Supplies to repair Barns J, P, W and

Construct Horse Ambulance 1,516.41

Barn door and stall repairs – Barns E, T,

Z, Y, AA and Groom's Building 669.02

Repairs to Barn Z 837.64

Backstretch fence and repairs

To Barns AA & Y 847.78

Doors in Barns E & W 369.37

Supplies to repair door and stalls

Barns E, Y and gate 344.38

Electrical repairs to:

Barn " W" and all barns checked 2,264.12

Heaters in Groom's Bldg 584.00

Circuit breakers in Groom's Bldg 275.63

Total Backstretch Items \$ 9,222.73

Other (42%)

Heater in cab Allis Chalmers tractor \$ 379.36

1986 Dodge pickup truck with plow 1,500.00

Starter, transmission for Diesel Water Truck
1,066.69

Hot Water Heater, Grandstand men' s room
220.85

Sander Motor
524.30

Engine for billy goat vacuum
408.47

Four new color 25" TVs for simulcast room
814.49

Check Signer in Accounting Dept.
1,652.08

Total Other Items \$ 6,566.24

Total Approved

\$15,788.97

9. NYRA REQUEST FOR APPROVAL OF EASEMENT - SARATOGA

The Board approved the request by NYRA to grant the utility easement, executed on February 27, 2002, to Niagara Mohawk Power Corporation for the purpose of providing electricity to a barn located on Fifth Avenue in the City of Saratoga Springs.

NYRA is receiving no monetary compensation other than minimal legal consideration.

10. CATSKILL OTB SIMULCAST LICENSE APPLICATION FOR 2002

The Board approved the Catskill OTB year 2002 track and simulcast license applications.

The 2002 simulcast license is conditioned upon compliance with all applicable provisions of the

Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and regulations, and the requirements set forth in the simulcast license application. The 2002 simulcast license is, among other items, conditioned on the requirement that all simulcast contracts entered into in 2002 provide that the Board shall have the authority to have access to and/or audit any wagering involving Catskill OTB at any out-of-state racetrack pari-mutuel system and/or hub. Attention is drawn to the language in paragraph 11(c) of the simulcast license application. The Board has issued this license on the additional condition that if contracts do not contain the required authority to access and audit language, by accepting this license Catskill OTB has agreed to provide the Board with access to the necessary information. Further, if such access at the out-of-state race track or the hub is sought and declined, Catskill OTB has agreed to immediately cease simulcasts with that site upon written notice from the Board.

The Board approved the recommendation of counsel to schedule an information forum to consider the issues raised by Monticello Raceway in opposition to the grant of this license.

11. NEW YORK CITY OTB REQUEST FOR MINI-BRANCH WITHIN EXISTING RESTAURANT - BROOKLYN

The Board approved the request by New York City OTB to amend their simulcast plan of operation with the addition of the establishment of a “ mini-branch” within the confines of the Il Fornetto Restaurant located at 2902 Emmons Avenue in Brooklyn, New York.

This approval is effective immediately.

12. NEW YORK CITY OTB REQUEST TO APPOINT NEW PRESIDENT - CASEY

The Board approved the appointment of Raymond V. Casey as the new President of the New York City Off-Track Betting Corporation.

This approval is conditioned upon the satisfactory return of the federal print reports.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. GAMES OF CHANCE – BINGO REGISTRATION NUMBERS – FEBRUARY/MARCH - 03/02-14-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between February 20, 2002 – March 20, 2002.

2. GAMES OF CHANCE – BELL JAR TICKETS – FEBRUARY/MARCH - 03/02-16-E

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between February 20, 2002 – March 20, 2002.

3. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS - FEBRUARY/MARCH - 03/02-15-E

List of manufacturers/suppliers licensed for 2002, by the Charitable Gaming Unit, between February 19, 2002 - March 20, 2002.

4. NYTHA 2001 FINANCIAL STATEMENTS – AQUEDUCT - 06/01-12-E

Staff reviewed NYTHA' s financial statements for the 2001 Aqueduct Winter and Spring meets in accordance with Rule 4003.51.

5. NYTHA 2001 FINANCIAL STATEMENTS – BELMONT & SARATOGA - 02/02-21-E

Staff reviewed NYTHA' s financial statements for the 2001 Belmont Spring and Fall meets and the Saratoga meet in accordance with Rule 4003.51.

6. SARATOGA HARNESS ANNUAL CIF INSPECTION - 03/02-12-E

On February 15, 2002, staff conducted their annual capital improvement inspection at Saratoga Harness Racing, Inc.

7. STATE REGISTER PUBLICATION OF NOTICES OF ADOPTION FOR GAMES OF CHANCE RULE AMENDMENTS - 03/02-06-E

Notices of adoption were published in the State Register on March 6, 2002. These rule amendments became effective on March 6, 2002.

The meeting was adjourned at 12:18 p.m.