

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF APRIL 26, 2006

A meeting of the New York State Racing and Wagering Board was held on Wednesday, April 26, 2006 at 11:00 a.m. at the Racing & Wagering Board's Schenectady Office located at 1 Broadway Center, Suite 600, Schenectady, New York.

The meeting was called to order at 11:09 a.m.

In Attendance Were:

Cheryl Buley, Chairwoman

Michael J. Hoblock, Jr., Member

John Cansdale, Executive Director

Robert Feuerstein, General Counsel

Thomas Casaregola, Director of Audits & Investigations

Joseph Lynch, Director of Racing Operations

Bruce Samboy, Director of Casino Gambling

Gail Pronti, Secretary to the Board

James Kellogg, Audits & Investigations

Rick Goodell, Assistant Counsel

William Sekellick, Assistant Counsel

Wendy Gruenberg, Assistant Counsel

Also in Attendance Were:

Daniel Toomey, NYSR&WB

Cecile Dunn, NYSR&WB

Vivian Davis, NYSR&WB

Kristen Buckley, NYSR&WB

Joseph Osmeloski, Southern Tier Harness Horsemen

Sarah Osmeloski, Southern Tier Harness Horsemen

Edward Tracy, American Racing

Jason M. Settlemoir, American Racing

Paul D'Onofrio, Monticello Raceway

Jim Crane, American Racing

Kevin Malloy, Suffolk OTB

John Kindler, NY Senate

Charlie Vickery

Robert Brooks, NYSHHB

Peter Gould, ANYSHBDF

Bill Crowell, Hinman Straub

Charles Coppola, Coppola Ryan

OPEN COMMENT PERIOD: Comments began at 11:02 a.m.

Paul D’Onofrio, representing Monticello Raceway, stated a complaint against NYC OTB to the Board with regard to non-payment by NYCOTB since December 2005 of \$2.6 million that he indicated is owed to Monticello Raceway pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Sections 527, 1016, and 1017. Mr. D’Onofrio indicated that NYCOTB had stated it would send \$600,000 in April 2006. He requested that the Board order NYCOTB to pay Monticello the \$2.6 million dollars and indicated that the non-payment is causing a hardship for Monticello. In response to a question concerning whether or not there is any specific due date for these payments, and Mr. D’Onofrio replied that it has been the practice for the last fifteen years that these payments have been made on a monthly basis. Counsel Feuerstein stated that staff would look into the matter.

Comments ended at 11:09 a.m.

A. The Board approved the minutes of the Board meeting held on March 28, 2006.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. CAPITAL DISTRICT REGIONAL OTB - REQUEST TO OFFER PROMOTION

For entry into the minutes, on March 30, 2006, the Board approved an application by the Capital District Regional Off-Track Betting Corporation to conduct a promotion entitled “Battle of the Branches” from April 8, 2006 through May 20, 2006 on all Saturdays during this timeframe and per the submitted rules.

2. FINGER LAKES RACETRACK - REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on March 13, 2006, the NYS Racing and Wagering Board approved the Finger Lakes Racing Association request dated March 6, 2006, to amend its simulcast plan of operation enabling the importation of the simulcasts of

the racing event known as The \$6 Million Dubai World Cup from Dubai in the United Arab Emirates on March 25, 2006, through the auspices of the Churchill Downs Simulcast network and Churchill Downs, Inc.

Also approved are the new year 2006 agreements with the Western Regional Off-Track Betting Corporation for the receipt of the Finger Lakes' 2006 simulcast signal and wagering thereupon at Batavia Downs.

Further approved is the year 2006 agreement with Saratoga Gaming and Raceway for the receipt of the Finger Lakes' 2006 simulcast signal and wagering thereupon at Saratoga Gaming and Raceway.

3. For entry into the minutes, on March 30, 2006, the NYS Racing and Wagering Board approved an amendment to the Finger Lakes simulcast plan of operation enabling the export of the Finger Lakes simulcast in-state to Monticello Raceway during the entire 2006 Finger Lakes live racing season.
4. For entry into the minutes, on April 7, 2006, the NYS Racing and Wagering Board approved the amendment to the Finger Lakes simulcast plan of operation enabling the export of Finger Lakes simulcast signals to the Beulah Park in Illinois, Buffalo Raceway, NYRA, & Saratoga Raceway in-state; the Autotote Enterprises in Connecticut, Freehold Raceway in New Jersey, The Meadows in Pennsylvania, Monmouth Park and the Meadowland in New Jersey, Philadelphia Park in Pennsylvania, Plainridge Race Course in Connecticut, River Downs in Ohio and Suffolk Downs in Massachusetts.

Blue Ribbon Downs in Oklahoma, Chocktaw Racing Services in Oklahoma, Delaware Park in Delaware, MEC/Lone Star Park in Texas, Keeneland Race Course in Kentucky, the Lebanon Race Course in Kentucky, Lien Games in Fargo, North Dakota, Las Vegas Dissemination Company (LVDC), Oaklawn Jockey Club in Arkansas, The Racing Channel Inc. of Oregon, the Racing Corporation of West Virginia and Western Fair Raceway of Ontario, Canada are also out-of-state recipients of the Finger Lakes simulcast.

These approvals were effective immediately.

5. **MONTICELLO RACEWAY - REQUEST TO SIMULCAST VARIOUS LOCATIONS**

For entry into the minutes, on March 13, 2006, the NYS Racing and Wagering Board approved the amendment to the Monticello Raceway simulcast plan of operation enabling Monticello Raceway to import the simulcast signals and conduct wagering on the year 2006 thoroughbred and harness simulcasts from Indiana Downs in Indiana. The Board also approved an addendum to the current agreement between the

New Jersey Sports and Exhibition Authority d/b/a The Meadowlands and Monmouth Park to account for the contractual rates charged Monticello Raceway for the new wagers entitled “The Choose Six” and “The Group Bet.”

The Indiana Downs simulcasts may be imported whenever in accordance with the Racing Law.

6. For entry into the minutes, on March 30, 2006, the NYS Racing and Wagering Board approved the requested change in Monticello Raceway’s simulcast plan of operation enabling the import of the year 2006 simulcasts from Scarborough Downs located in Scarborough, Maine.
7. For entry into the minutes, on March 30, 2006, the NYS Racing and Wagering Board approved the requested change in Monticello Raceway’s simulcast plan of operation enabling the import of the year 2006 simulcasts from Finger Lakes the in-state thoroughbred racetrack.
8. For entry into the minutes, on March 30, 2006, the NYS Racing and Wagering Board approved the amendment to the Monticello Raceway simulcast plan of operation enabling Monticello Raceway to import the simulcast signals and conduct wagering on the year 2006 harness simulcasts from Hazel Park in Michigan.

The Hazel Park simulcasts may be imported whenever in accordance with the Racing Law.

9. For entry into the minutes, on April 7, 2006, the NYS Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation enabling the export of the year 2006 simulcast signals to the harness tracks known as the Sonace Tracks of Quebec, Canada which include the four racetracks called Hippodrome de Montreal, Hippodrome de Trois Rivers, Hippodrome de Aylmer and Hippodrome de Quebec including nineteen (19) OTB’s.

Approved were the simulcasts of racing from and wagering on Keeneland Park, Plainridge Racecourse, Thistledown Race Track and Churchill Downs Inc. including Churchill Downs, Hoosier Park, Ellis Park, Calder Race Course, Tropical Park, Hollywood Park Racing Association, Hollywood Park Fall Racing Association, Arlington Park International, Churchill Downs Louisiana Horse Racing Company, LLC & the Bay Meadows Racing Association.

10. **NEW YORK CITY OTB - REQUEST TO SIMULCAST VARIOUS LOCATIONS**

For entry into the minutes, on March 30, 2006, the NYS Racing and Wagering Board approved the New York City Regional OTB request dated March 16, 2006, to amend its simulcast plan of operation enabling the import of the simulcasts from Wyvern International, Ltd./Phumelela Gold Enterprises for international racing during their 2006 English race meetings.

This approval enables the import of the Phumelela/English racing simulcasts further applies to Capital District, Catskill, Nassau Downs, Suffolk Regional and Western Regional Off-Track Betting. These simulcasts may be imported and utilized for wagering whenever in accordance with the Racing Law.

11. EXTENSION OF APPRENTICE JOCKEY ALLOWANCE FOR APPRENTICE JOCKEY – PABLO MORALES

For entry into the minutes, on March 27, 2006, the NYS Racing and Wagering Board approved an extension of the qualified apprentice year of jockey Pablo Morales for an additional thirty-one (31) days. Pablo Morales' date of record for the expiration of his apprenticeship allowance is now Monday, April 24, 2006.

12. SARATOGA HARNESS - REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on March 30, 2006, the NYS Racing and Wagering Board approved the Saratoga Gaming and Raceway request to amend its simulcast plan of operation enabling, during the year 2006, the import of the simulcast signals from five racetracks, Finger Lakes in Farmington, NY., Fairmont Park in Collinsville, IL., Indiana Downs in Shelbyville, IN., Lone Star Park in Grand Prairie, TX., and Plainridge Racecourse in Plainville, MA.

All simulcasts may be utilized whenever in accordance with the current Racing Law.

13. SUFFOLK REGIONAL OTB - REQUEST TO OFFER PROMOTION

For entry into the minutes, on April 6, 2006, the NYS Racing and Wagering Board approved the request to draw one \$25.00 winner from each of 14 branches with one of these winners receiving a \$500.00 amount deposited into the customers phone accounts.

The Board also approved a promotion to offer approximately 5,000 a two-dollar wager to be awarded for each of the two stakes, The Preakness & The Belmont.

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

1. **EMERGENCY ADOPTION – VETERINARIAN MEDICATION RULE**

For entry into the minutes, on April 3, 2006, the NYS Racing and Wagering Board approved an emergency rulemaking to amend Rule 4005.5 to allow veterinarians employed by the New York State Racing and Wagering Board and licensed thoroughbred racing associations to administer race day medications to horses. The rule is necessary to allow the administration of medications to horses stabled in limited access security barns.

This emergency rule will be in effect for 90 days, expiring on June 29, 2006.

2. **NOTICE OF ADOPTION – VETERINARIAN MEDICATION RULE**

For entry into the minutes, on April 12, 2006, the NYS Racing and Wagering Board adopted an amendment to Board Rule 4005.5 to allow veterinarians employed by the New York State Racing and Wagering Board and licensed thoroughbred racing associations to administer race day medications to horses. This rule was published as a Proposed Rulemaking in the State Register on January 18, 2006. The 45-day public comment period ended on March 4, 2006. No public comments were received.

This rule is intended to allow the administration of Board-authorized race day medications to horses that are quartered in limited access security barns by Board or association veterinarians. This amendment will allow the Board veterinarian or association veterinarian to administer such race day medications and preserve the integrity of the limited access security barns.

3. **PROPOSED RULEMAKING – SYRINGE RULE**

For entry into the minutes, on April 12, 2006, the NYS Racing and Wagering Board approved the proposal of Sections 4043.11 and 4120.16 to the Board Rules and Regulations. These amendments would require the single-service use of syringes and needles in the administration of equine medication at racetracks. The rule would also make track veterinarians and practicing veterinarians responsible for the disposal of such syringes and needles.

This rule will require Executive Order 20 review by the Governor's Office of Regulatory Reform. Board staff will also distribute the proposal for public comment from the racing industry.

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

1. IN THE MATTER OF THE JUDGES PLACING “HITACHI” FOURTH IN THE 6TH RACE AT MONTICELLO RACEWAY ON AUGUST 29, 2005

The Board upheld Hearing Officer Russell H. Baller, Jr.’s recommendation that the appeal be dismissed on the grounds that placement decisions are not reviewable. The Board made an additional finding of fact that it must dismiss appeals of placement decisions in the absence of any possible mistake of law, or ministerial error, or fraud. The Board further found that none of those parameters were established in this case. This matter involved an appeal by the owner/trainer of HITACHI from the placement decision of the judges at Monticello Raceway, which disqualified HITACHI and placed that horse fourth, pursuant to Board Rule 4117.12, based upon violation of Board Rule 4117.10 (Breaking horses).

2. IN THE MATTER OF JENNIFER LEIGH-PEDERSON

The Board upheld Hearing Officer Russell H. Baller, Jr.’s recommendation to uphold the charged violation of Board Rule 4012.1 (Possession of hypodermic equipment and controlled substances). The Board modified the penalty from a sixty (60) day suspension of Ms. Leigh-Pederson’s license to a sixty (60) day suspension with an additional sixty (60) day suspension imposed but deemed waived provided Ms. Pederson does not violate parts of 4012 or 4043 of the Board’s rules within the one (1) year period beginning on the first effective date of the suspension. The Board’s modification of the penalty is based upon the seriousness of the violation and the need to deter conduct, which goes to the heart of pari-mutuel racing activity.

3. IN THE MATTER OF GEORGE STORY

The Board deferred determination of the appeal by harness owner applicant George Story from the refusal at staff level to issue a license to participate in pari-mutuel harness racing on the basis his experience, character and fitness are such that his participation in racing would be inconsistent with the public interest, convenience and necessity, or with the best interests of racing.

4. NOTICE OF ADOPTION – PROPOSITION WAGER RULE

The Board approved the adoption of rules governing proposition wagers for both thoroughbred and harness racing (Thoroughbred Rule 4011.85 and Harness Rule 4122.4). The Notice of Proposed Rulemaking for these amendments was published in the *State Register* on February 8, 2006. The public comment period ended on March 25, 2006. No comments were received.

These rules (Thoroughbred Rule 4011.85 and Harness Rule 4122.4) will become effective upon publication in the *State Register*.

5. NOTICE OF ADOPTION – PARLAY WAGER RULE

The Board approved the adoption of amendments to the parlay wagering rule, (9E NYCRR sections 4010.6 and 4122.38). These amendments would extend parlay wagering to include proposition wagering.

The Parlay Wager Rule was published in the *State Register* as a Proposed Rulemaking on February 8, 2006. The public comment period ended on March 25, 2006. No comments were received.

6. NOTICE OF ADOPTION – GRAND SLAM WAGER RULE

The Board approved adoption of the Grand Slam Wager Rule (4122.48) for harness racing.

The Grand Slam Wager Rule for harness was published in the *State Register* on January 18, 2006. The 45-day public comment period ended on March 4, 2006. No comments were received.

The Grand Slam Wager Rule for thoroughbred went into effect as a permanent rule on January 18, 2006. This rule will allow a similar wager in harness racing.

The Grand Slam Wager is an exotic wager involving a single bet on four races, evidenced by a single ticket and representing an interest in a single betting pool. The

baseball term “Grand Slam” means to hit a home run with the bases loaded. The object is for the bettor to choose one or more horses in each of the first three Grand Slam races and the selected horse or horses must officially finish first, second, or third, thus “loading the bases.” To complete the winning wager, the bettor must correctly select the official winner of the fourth and final race, thus “hitting a home run.”

7. NOTICE OF ADOPTION – NON-STARTER RULE

The Board approved the adoption of amendments to Rules 4009.21 and 4115.10 concerning pari-mutuel payoffs and refunds in the event a horse is declared a non-starter. This rule was published as a Proposed Rulemaking in the *State Register* on January 18, 2006. The 45-day public comment period ended on March 4, 2006. No public comments were received.

These amendments will clarify how the stewards and judges decide a situation where a horse has an unfair start in a given race, but rallies to win despite setback. To provide clarification and ensure consistent enforcement of the rule, these amendments require that all bets on the non-starters will be refunded unless the horse wins. If the horse wins, overcoming adversity at the start of a given race, the betting public will be protected and allowed to cash winning tickets on that entry in the race. However, if the horse finishes other than first, and if the horse’s chances of winning the race were indeed compromised at the start, the betting public is entitled to refund of the wagers. The rule requires that the racetrack include the horse’s performance in the past performance charted lines in the racing program

8. MONTICELLO RACEWAY – REQUEST FOR APPROVAL OF VGM CONSTRUCTION

Pursuant to Section 322 of the New York State Racing, Pari-Mutuel Wagering and Breeding Law, the New York State Racing and Wagering Board approved the request by Monticello Raceway, dated March 8, 2006, for renovations relating to the VGM facility at Monticello Raceway.

The renovations were described in the request letter referenced above and the OGS Construction Permit dated March 6, 2006.

9. **GAMING LABORATORIES INT’L., INC. – APPLICANT FOR INDEPENDENT TESTING LABORATORY FOR ELECTRONIC BINGO AIDS**

The Racing and Wagering Board recognized Gaming Laboratories International, Inc. as an independent testing laboratory for purposes of testing electronic bingo aids. See generally, 9E N.Y.C.R..R. §5823.2 (g).

As a condition of recognition, Gaming Laboratories International, Inc. shall notify the Board in writing within fourteen (14) days of any of the following:

- (1) any changes in name or address of the recognized entity;
- (2) any changes in ownership or control of any interest in the recognized entity;
- (3) any commencement of bankruptcy proceedings in respect to the recognized entity, its parents or affiliates;
- (4) all gaming-related complaints, orders to show cause and disciplinary actions instituted against the recognized entity. This must include, but shall not be limited to, all matters, contested or not, in which a gaming regulatory agency presides or is a party thereto;
- (5) all arrests or convictions of officers, directors, key employees and equity owners of the recognized entity, its parent or affiliates, regarding offenses which would constitute a misdemeanor or felony in the State of New York. These events must be reported, regardless where the arrest or conviction occurred. The notice must include the name, position, charge, arresting agency and a brief description of the event. In addition, disposition papers shall be submitted when they become available.

10. **BMM NORTH AMERICA, INC. – APPLICANT FOR INDEPENDENT TESTING LABORATORY FOR ELECTRONIC BINGO AIDS**

The Racing and Wagering Board recognized BMM North America, Inc. as an independent testing laboratory for purposes of testing electronic bingo aids. See generally, 9E N.Y.C.R.R. §5823.2 (g).

As a condition of recognition, BMM North America, Inc. shall notify the Board in writing within fourteen (14) days of any of the following:

- (1) any changes in name or address of the recognized entity;
- (2) any changes in ownership or control of any interest in the recognized entity;
- (3) any commencement of bankruptcy proceedings in respect to the recognized entity, its parents or affiliates;

- (4) all gaming-related complaints, orders to show cause and disciplinary actions instituted against the recognized entity. This must include, but shall not be limited to, all matters, contested or not, in which a gaming regulatory agency presides or is a party thereto;

- (5) all arrests or convictions of officers, directors, key employees and equity owners of the recognized entity, its parent or affiliates, regarding offenses which would constitute a misdemeanor or felony in the State of New York. These events must be reported, regardless where the arrest or conviction occurred. The notice must include the name, position, charge, arresting agency and a brief description of the event. In addition, disposition papers shall be submitted when they become available.

11. NICK FARLEY & ASSOCIATES, INC. – APPLICANT FOR INDEPENDENT TESTING LABORATORY FOR ELECTRONIC BINGO AIDS

The New York State Racing and Wagering Board recognized Nick Farley & Associates, Inc. as an independent testing laboratory for purposes of testing electronic bingo aids. See generally, 9E N.Y.C.R.R. §5823.2 (g).

As a condition of recognition, Nick Farley & Associates, Inc. shall notify the Board in writing within fourteen (14) days of any of the following:

- (1) any changes in name or address of the recognized entity;

- (2) any changes in ownership or control of any interest in the recognized entity;

- (3) any commencement of bankruptcy proceedings in respect to the recognized entity, its parents or affiliates;

- (4) all gaming-related complaints, orders to show cause and disciplinary actions instituted against the recognized entity. This must include, but shall not be

limited to, all matters, contested or not, in which a gaming regulatory agency presides or is a party thereto;

- (5) all arrests or convictions of officers, directors, key employees and equity owners of the recognized entity, its parent or affiliates, regarding offenses which would constitute a misdemeanor or felony in the State of New York. These events must be reported, regardless where the arrest or conviction occurred. The notice must include the name, position, charge, arresting agency and a brief description of the event. In addition, disposition papers shall be submitted when they become available.

12. FINGER LAKES RACETRACK – REQUEST FOR APPROVAL OF RACING OFFICIALS FOR YEAR 2006

The New York State Racing and Wagering Board approved the one remaining official, Mary Hooten, who had been approved conditionally through April 30, 2006. This completes the approval of racing officials as requested for the year 2006 Finger Lakes live racing season.

This approval is provided pursuant to Board Rule 4005.1.

13. NYRA – REQUEST FOR APPROVAL OF RACING OFFICIALS FOR YEAR 2006

The New York State Racing and Wagering Board considered the NYRA request for the remaining two of the original 23 officials and employees on the November 27, 2006 application. These are listed as belonging in Categories I, II or III to perform duties at the New York Racing Association's tracks during the year 2006 racing season.

Trinity Nemeti was approved for 2006 as a new Category I racing official to be a Placing and Patrol Judge at the NYRA racetracks.

The Board granted William Nemeti a further conditional approval through July 31, 2006 only, pending receipt of further information.

These approvals are issued pursuant to Board Rule 4005.1.

14. NYRA – THOROUGHBRED RACING DATES FOR 2006

The New York State Racing and Wagering Board approved the NYRA request for the remainder of an overall 257 racing programs among the three NYRA racetracks May 3, 2006 – December 31, 2006.

Approved to be raced for Belmont Park are the dates of May 3rd through July 22nd (Spring) and September 8th through October 22nd (Fall). The Saratoga Racecourse dates of July 26th through September 4th were also approved. Also approved were Aqueduct Race Track, October 25th through December 31st dates.

15. NEW YORK CITY OTB SIMULCAST LICENSE APPLICATION FOR 2006

The New York State Racing and Wagering Board deferred action on New York City Off-Track Betting Corporation's 2006 simulcast license application pending staff's review of the following information received:

- The site specific SAS-70 Type II Report for 2005 (period covering July 1, 2005 through March 31, 2006).
- Matters concerning NYC OTB's financial position.

The Board will consider further action at the next Board meeting.

NYC OTB will remain operational on the continuing rights of the 2005 simulcast license. Such rights are conditioned upon the following:

- Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board, including:
 - a. Receipt of fire inspection reports on an ongoing basis.

16. NEW YORK RACING ASSOCIATION, INC. SIMULCAST LICENSE APPLICATION FOR 2006

On April 26, 2006, the New York State Racing and Wagering Board deferred action on the New York Racing Association, Inc.'s simulcast license application for 2006 pending receipt and review of staff's report concerning NYRA's submission of information in response to application questions 1, 2, 5a, 5b, and 15 (noted below):

- Question 1- needs to be completed.
- Question 2- Clarification as to when the Belmont backstretch was last inspected and when it will be inspected and when the Aqueduct facility will be inspected.
- Question 5a- The Tote and ITSP software versions.
- Question 5b - Clarification of the simulcast list; whether this is a complete list including primary or secondary guests, etc..
- Question 15 - Provide a copy of the contract with Stevenson and Associates, Inc.
- Financial projections for the period requested for licensure (2006) that demonstrates how NYRA plans to meet its financial obligations during the license period.
- Aged accounts payable listing (i.e., listing of accounts payable that indicate how many days each liability has been outstanding. Typically aged payables list liabilities that are under 30 days; under 60 days; under 90 days and over 90).
- Draft balance sheet, income statement and statement of cash flows.

The Board will consider further action at the next Board meeting.

NYRA will remain operational on the basis of continuing rights. Such rights are conditioned upon the following:

- Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board. These include but are not limited to the following:
 - a. Retransmission of your simulcast signal by authorized recipients to secondary recipients is not allowable without disclosure within the contract of the names and locations of all secondary recipients.
 - b. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.
 - c. Any agreement which you are party to is subject to the requirements of the host and guest states with any provision mandated by either Commission or Board

with such provisions specifically incorporated into contract by reference. Both parties, including any Secondary Recipients, shall comply with the provisions of all-applicable Federal, State and local laws and regulations.

- d. An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at your facility. The report is to be filed with the Board no later than October 31, 2006.

17. NYRA – REQUEST FOR PERMANENT APPROVAL OF CASHCARDS

The New York State Racing and Wagering Board granted permanent approval for NYRA's continuing use of the CashCards System. This approval is for use of the CashCards System only in its current form at the NYRA-operated racetracks and is restricted for wagering purposes only.

This approval is further conditioned upon receipt from NYRA of a copy of the opinion requested from the New York State Comptroller regarding the escheatment of CashCard funds and other specified accounts no later than five (5) business days after NYRA's receipt of same.

18. BUFFALO TROTTING ASSOC. – REQUEST TO WITHDRAW \$2,408.94 FROM CIF

The New York State Racing and Wagering Board approved the Buffalo Trotting Association d/b/a Syracuse Mile's request to withdraw \$2,408.94 from its Capital Improvement Fund for reimbursement of Advertising and promotional expenditures for the 2005 Syracuse Mile race meeting..

19. SUFFOLK REGIONAL OTB – REQUEST TO ADD QWIK BET FACILITY – ST. JAMES

The New York State Racing and Wagering Board approved the Suffolk Regional OTB request dated November 14, 2005 to amend its plan of operation to for the conduct of wagering and the display of simulcasts at the High Noon Salon, Inc., d/b/a St. James Tavern. This approval, which extends through December 31, 2006, is for a Quik Bet remote branch facility located in St. James, New York and is subject to compliance with the provisions of the contract submitted.

In addition, it is expected that Suffolk Regional OTB, using its own personnel, will occasionally inspect High Noon Saloon, Inc. d/b/a St. James Tavern remote wagering facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed.

Furthermore, the Secretary to the Board is to be notified in writing in a timely manner should a change in procedure be implemented that affects the operation of this approved Suffolk Regional OTB remote wagering facility. The simulcast license fee of five hundred dollars is immediately due.

20. **SUFFOLK REGIONAL OTB – REQUEST TO ADD QWIK BET FACILITY – SMITHTOWN**

The New York State Racing and Wagering Board approved the Suffolk Regional OTB request dated November 14, 2005 to amend its plan of operation to for the conduct of wagering and the display of simulcasts at Rock Eatery, Inc., d/b/a Buchman's Radio Grill. This approval, which extends through December 31, 2006, is for a Quik Bet remote branch facility located in Smithtown, New York and is subject to compliance with the provisions of the contract submitted.

In addition, it is expected that Suffolk Regional OTB, using its own personnel, will occasionally inspect Rock Eatery, Inc. d/b/a Buchman's Radio Grill remote wagering facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed.

Furthermore, the Secretary to the Board is to be notified in writing in a timely manner should a change in procedure be implemented that affects the operation of this approved Suffolk Regional OTB remote wagering facility. The simulcast license fee of five hundred dollars is immediately due.

21. WESTERN REGIONAL OTB - REQUEST TO ADD NEW E-Z BET FACILITY - BATH

The New York State Racing and Wagering Board approved the Suffolk Regional OTB request dated November 14, 2005 to amend its plan of operation to for the conduct of wagering and the display of simulcasts at Steuben Properties, Inc., d/b/a the Wooden Nickel. This approval, which extends through December 31, 2006, is for a EZ Bet remote branch facility located in Bath, New York and is subject to compliance with the provisions of the contract submitted.

In addition, it is expected that Western Regional OTB, using its own personnel, will occasionally inspect Steuben Properties, Inc. d/b/a The Wooden Nickel remote wagering facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed.

Furthermore, the Secretary to the Board is to be notified in writing in a timely manner should a change in procedure be implemented that affects the operation of this approved Western Regional OTB remote wagering facility. The simulcast license fee of five hundred dollars is immediately due.

22. IN THE MATTERS OF: BRIAN EATZ, YVONNE HANNA, SHIRLEY HEARNE, RUBIN TORO, CATHERINE URSINO

The New York State Racing and Wagering Board upheld Hearing Officer Russell H. Baller, Jr.'s recommendation that the Board impose the respective disciplinary actions pursuant to the individual stipulations.

A summary of the recommended action follows:

<u>NAME</u>	<u>DISCIPLINARY ACTION</u>
Shirley Hearne	\$700 fine
Yvonne Hanna	\$900 fine and 30-day license suspension
Ruben Toro	\$900 fine and 30-day license suspension
Catherine Ursino	\$900 fine and 30-day license suspension
Brian Eatz	\$800 fine

Each of the above-referenced matters arose from orders to show cause served upon the respondents, who are licensed as mutuel clerks, concerning cash shortages reported by the mutuel clerks.

A stipulation (with agreed settlement) had been executed in each of the five matters, whereby the charges asserted in the respective orders to show cause were amended to a single charge and a specific sanction on condition that the respondent entered a nolo contendere plea to that charge.

23. NEVADA GOLD/TIOGA DOWNS – TRACK LICENSE APPLICATION FOR 2006

A temporary conditional track license was approved by the Board at the April 26, 2006 meeting pursuant to Section 307(7) of the Racing, Pari-Mutuel Wagering & Breeding Law subject to compliance with the following conditions:

1. The applicant is to successfully demonstrate that construction of the racing facility has been completed in compliance with the Plans that were approved by the Board on February 23, 2006 pursuant to Section 322 of the Racing Law. (Once the plans have been successfully completed the facility is to be inspected by Board staff and a copy of the certificate of occupancy must be provided.)
2. There shall be no material (1% or more) change to management or any beneficial interest, direct or indirect, in debt or equity related to the ownership, debt, or operation of the track, nor to the persons who are officers or directors of the applicant including affiliates, lenders and owner unless and until Board staff has made a preliminary finding of suitability.
3. The appropriate pari-mutuel bond as required under Section 315 of the Racing Law must be secured and a copy of the bond must be filed with the Board as soon as it is obtained.
4. Complete responses must be provided to the following items as listed on the track application form:
 - a. Question 4(a) –All officers, employees, horsemen and all individuals working at the racing facility must obtain a racing license.
 - b. Question 8(a) – The Applicant shall submit the vendor names for all data processing, communication and transmission equipment.

- c. Question 8(b) – The Applicant shall submit the names of all of the vendors (for various services) and their respective managers.
- d. Question 11 – The Applicant shall submit a pari-mutuel bond.
- e. Question 16 (b) – The Applicant shall submit a diagram and description of which gates and what specific areas are to be staffed with security personnel (including backstretch, clubhouse, grandstand, paddock or other areas).
- f. Question 16 (c) – The Applicant must completely answer the question regarding a “badge system”.
- g. Question 16 (d) – The Applicant must provide a description of all surveillance cameras and what activities are being monitored.
- h. Question 16 (e) – The Applicant must submit the current plan for natural disaster, fire or other act of God.
- i. Question 17 – The facility is currently undergoing construction and the Applicant indicated that all necessary inspections would be performed at the appropriate times. In addition, the Applicant must provide the items required by rule, such as the Board’s office, the First Aid Stations, cameras, etc.

- j. Question 18 – The Applicant must demonstrate compliance with the “CAFO” requirement.
5. Complete cooperation is required during the financial and suitability review process of the track, its owners and lenders.
6. If circumstances or facts change and the application that has been approved by the Board on April 26, 2006 no longer presents the correct facts, Nevada Gold NY Inc. must submit to the Board an amended answer to the questions affected. When doing so, Nevada Gold NY Inc. is to mark the submission as "Amendment to License Application" - question number - and the change in detail, properly attested.

The Board did not assign any race dates and Nevada Gold NY Inc. shall not begin to receive regional track payments (from NYS Off-Track Betting Corporations) until live racing is conducted at the track.

The simulcast license for Nevada Gold NY Inc. was deferred by the Board meeting pending resolution of the following items as listed on the simulcast license application:

Simulcast License:

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1. Question 1 – Same issues as Track License Question 17 regarding fire inspections.
2. Question 4 – Same issues as Track License Question 16 regarding Security.
3. Question 5 (a) – Same issues as Track License Question 8(a) regarding data processing equipment.
4. Question 5(b) – The Applicant currently has no simulcast contracts but must submit them to the Board for approval before accepting or sending the signal.
5. Question 5(c) – The Applicant must provide specific information relating to the security of the simulcast signal.

6. Question 7 – The Applicant must describe the various methodologies and reporting systems used to track revenue and expenses.
7. Question 9 – Emergency contact numbers need to be provided for various positions.
8. Question 11 – The Applicant must provide a teller betting policy.
9. Question 12- The Applicant must provide a cancellation policy.
10. Question 13 – The Applicant must provide procedures for the opening of temporary wagering accounts or state such accounts will not be used.

It should be noted that the above conditions do not reflect information that was provided by the applicant on April 25, 2006 as this information was not reviewed by staff prior to the Board's meeting of April 26, 2006.

24. **NEVADA GOLD/TIOGA DOWNS – SIMULCAST LICENSE APPLICATION FOR 2006**
(See Number 23 above.)

25. **TIOGA DOWNS – REQUEST FOR CONSIDERATION OF A HORSEMEN’S GROUP**

The Board granted conditional approval to the Southern Tier Harness Horsemen’s Association, Inc. (“ST”), as the horsemen’s organization representing owners and trainers at Tioga Downs Racetrack, pursuant to Racing, Pari-Mutuel Wagering and Breeding Law (“Racing Law”) §§ 307(5-b), 318(1)(a)(ii), 318(1)(b)(i, ii), 319(2)(b), 527(3)(a), 1003(1)(a), 1007(3)(d)(ii), 1007(3-a), 1007(5)(a), 1009(4-a), 1016(2), 1017(1), 1017(1)(b)(5)(F), 1017(1)(b)(6)(G), and/or 1017-b, on condition that no other organization credibly objects to that status as the representative horsemen's organization at Tioga Downs before May 1, 2006, and that the representativeness is confirmed by the identity of the owners and trainers who utilize Tioga Downs in 2006.

The Board did not determine whether ST represents more than 51% of the owners and trainers utilizing the facilities of the track licensee, to qualify to receive 1% of the purse monies at Tioga Downs [Racing Law § 318(1)(b)(iv)]. ST may apply to the Board for determination of whether it is the representative horsemen’s organization within the meaning of Racing Law § 318(1)(b)(iv), eligible to receive 1% of the purse monies.

E. **ITEMS FOR BOARD INFORMATION/DISCUSSION**

1. **CAPITAL DISTRICT REGIONAL OTB - PROMOTION – 0306-11-E**

By letter dated April 6, 2006, Capital OTB will begin implementing the Capital Cash Player Rewards Program on April 10, 2006.

2. **GAMES OF CHANCE/BELL JAR TICKETS – 0406-24-E**

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between March 9, 2006 – March 31, 2006.

3. **GAMES OF CHANCE/BINGO REGISTRATION NUMBERS – 0406-25-E**

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between March 10, 2006 – April 11, 2006.

4. **2006 LICENSED SUPPLIERS – 0406-26-E**

List of 2006 licensed suppliers and manufacturers for the period of March 1, 2006 through March 31, 2006.

5. **LICENSING – CURRENT RACING LICENSING COUNT – 0406-27-E**

The current racing licensing counts as of March 31, 2006 since January 1, 2006 are as follows: total receipts 2,752 and total licenses 1,997 for the year 2006.

6. **INDIAN GAMING - LICENSING STATISTICS – 0406-31-E**

Licensing statistics for March 1, 2006 through March 31, 2006. Also included are the certifications for Mohawk, Seneca Allegany, Seneca Niagara and Oneida.

F. FOLLOW-UP ON ITEMS PREVIOUSLY APPROVED

None.

The meeting was adjourned at 12:37 p.m.