

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF FEBRUARY 27, 2002

A meeting of the New York State Racing and Wagering Board was held on Wednesday, February 27, 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 11:33 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

Thomas Casaregola, Director of Audits & Investigations

Joe Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Stacy Walker, NYSR&WB

Martin Tuczinski, Capital OTB

Paul D' Onofrio, Monticello Raceway

Charlie Coppola, Coppola, Ryan & McHugh

Jason Wheatley, NYS Senate

Tom Precious, Buffalo News

Ed Draves, **Bolton-St Johns Inc.**

Georgio DeRosa, **Bolton-St Johns Inc.**

Bill Crowell

OPEN COMMENT PERIOD: Paul D' Onofrio, representing Monticello Raceway, stated that Monticello opposed Board item number 16 regarding the approval of the Catskill OTB simulcast license application. Monticello opposes the approval of this application because Catskill has no written agreement with Monticello. It was argued that Section 1008 requires a letter of consent with Monticello Raceway for simulcasting to be conducted by Catskill OTB. Mr. D' Onofrio stated that other tracks around the State have such an agreement.

Monticello suggests that the Board consider one of two options: 1) Limit the number of simulcasts that Catskill accepts to those that Monticello accepts and monitor all simulcasts from Catskill OTB; 2) Deny Catskill OTB the right to simulcast any tracks until an agreement has been signed with Monticello Raceway.

A. The Board approved the minutes of the Board meeting held on January 23, 2002.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on January 31, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the import of simulcasts from the Maryland Jockey Club racetracks known as Laurel & Pimlico Racecourses, Santa Anita in California, Gulfstream Park in Florida, the Fair Grounds in Louisiana, Oaklawn Park in Arkansas, Philadelphia Park in Pennsylvania, Golden Gate Fields in California and Tampa Bay Downs in Florida. All simulcast signals may be utilized whenever permitted under the Racing Law.

The above approval of the Maryland Jockey Club racetracks of Pimlico and Laurel has letters of permission from their horsemen valid through June 30, 2002. Also, the letter of permission for Golden Gate Fields from the Thoroughbred Owners of California (TOC) specifies the early 2002 race meeting only that is scheduled to end on March 31, 2002.

Should Finger Lakes desire to import either of these simulcast signals after the expiration date of the approval letters on file with the Board but before December 31, 2002, new Maryland Thoroughbred Horsemen' s Association and California (TOC) permission letters must be filed with the Board.

* For entry into the minutes, on February 13, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the import of simulcasts from Turfway Park in Florence, Kentucky. This simulcast signal may be utilized whenever permitted under the Racing Law.

In regard to Turfway Park simulcasts, the latest letters of permission from their governing commission and its horsemen on file with the New York State Racing and Wagering Board are valid through April 4, 2002 only. Should Finger Lakes management desire to import the Turfway Park simulcast signal after the expiration date of the approval letters on file with the Board but before December 31, 2002, new permission letters must be filed with the Board.

2. MONTICELLO RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS FOR 2002

For entry into the minutes, on January 31, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of the simulcasts from the New York Racing Association (NYRA) operated racetracks of Aqueduct Racetrack, Belmont Park and Saratoga Race Course.

The Board also approved the import of simulcasts from Buffalo Raceway.

* For entry into the minutes, on February 13, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of simulcast signals from Oaklawn Park in Arkansas and from Pocono Downs in Pennsylvania.

Also approved was the request to allow the exports of the Monticello Raceway simulcast signal to the Atlantic City Casinos located in the contiguous state of New Jersey and to the in-state simulcast center at Batavia Downs operated by the Western Regional Off-Track Betting Corporation.

The following export agreements are acknowledged in conjunction with the Board's policy of the blanket approval of in state and inter-state signals to non-contiguous states, with the licensee agreeing to file monthly reports of simulcast signal destinations and rates charged. In this category are the simulcast agreements filed with this application and providing for the continued export of Monticello Raceway simulcasts to Rosecroft Raceway in Maryland, Lebanon Raceway in Ohio and Balmoral Park and Maywood Park in Illinois.

3. NYRA REQUEST TO DESIGNATE RACES AS SPECIAL EVENTS

For entry into the minutes, on January 31, 2002, approval was granted for the request by NYRA to designate two out-of-state thoroughbred events, both Grade II stakes races, during the month of February as "special events" as well as each of the three separate wagering pools conducted prior to the year 2002 Kentucky Derby Future Bets as specified under Section 905-a of the Racing Law.

Approved by the Board are the three separate pari-mutuel pools of the Kentucky Derby Future Bets, the Barbara Fritchie Handicap from Laurel Racecourse on Saturday, February 16th and the General George Handicap on Monday, February 18th. These events will initiate the yearly cumulative listing of allowable special events under Section 905-a of the Racing Law.

4. SARATOGA HARNESS REQUEST TO OFFER PROMOTIONS IN FEBRUARY

For entry into the minutes, on January 31, 2002, approval was granted for the request by Saratoga Harness, dated January 30, 2002, to conduct a “ sudden death” Pick Three Handicapping contest on four successive Saturdays during the month of February 2002. This contest is to be conducted as outlined in the official rules and regulations as submitted to the Board.

To be in compliance with Section 908 of the Racing Law, should Aqueduct Race Track cancel on a Saturday contest day, at least half of the legs (races) must originate from within New York State.

5. CAPITAL OTB REQUEST TO OFFER MYSTERY BET PROMOTION

For entry into the minutes, on January 31, 2002, approval was granted for the request by Capital OTB, dated January 8, 2002, to distribute by mail various denominations of mystery bet vouchers. One \$1,000 voucher; ten \$100 vouchers, one hundred \$10 vouchers and 4, 889 vouchers of the \$2 variety will be distributed in their entirety.

Each of the five “ mystery voucher days” are separate and distinct. Approved dates for redemption include the Kentucky Derby on May 4th, the Preakness Stakes on May 18th, the Belmont Stakes on June 8th, the Travers Stakes on August 24th and on Breeders Cup Day on October 26th.

The value of these mystery vouchers may be determined and the voucher redeemed at any Capital OTB branch, E-Z Bet location or at the teletheater only on the date for which the voucher was issued.

6. NEW YORK CITY OTB REQUEST TO DESIGNATE RACES AS SPECIAL EVENTS

For entry into the minutes, on January 31, 2002, approval was granted for the request by New York City OTB for an amendment to the simulcast plan of operation through an addendum to an existing approved contract between the New York City Off-Track Betting Corporation and Churchill Downs, Inc. This addendum enables all New York State regional off-track betting corporations to participate in all three future pools on the year 2002 Kentucky Derby to be contested at Churchill Downs.

The first period of wagering will be from noon (EST) on Thursday, February 14th through 5:30 p.m. (EST) on Sunday, February 17, 2002. The second period will be March 14th through March 17th. The third period will be April 4th through April 7th.

The Board must be notified should the applicants decide not to participate in all three period pools. The fact that “ there will be no cancellations or refunds” per Kentucky rules should be stressed to the customers before they wager.

This approval also extends to the Capital, Catskill, Nassau, Suffolk and Western Regional Off-Track Betting Corporations.

7. WESTERN OTB REQUEST TO OFFER PROMOTIONS

For entry into the minutes, on January 31, 2002, approval was granted for the request by Western OTB to amend their plan of operation/promotions allowing for the distribution of 990 one dollar off coupons to be distributed at its Central Square area branch and a like amount of coupons to be distributed at its Phoenix area branch.

Management of Western OTB will account for all coupons distributed and redeemed. The coupons will be differentiated by color for each area.

Further approved is the ability to distribute by free drawing wagering vouchers in the denomination of ten dollars (\$10) at the Phoenix branch during “ happy hours” .

8. CAPITAL OTB REQUEST TO OFFER HANDICAPPING CONTEST IN APRIL

For entry into the minutes, on February 1, 2002, approval was granted for the request by Capital OTB, received January 17, 2002, to conduct a handicapping contest at the Albany Teletheater on April 13th and 14th per all submitted rules.

Although included within the January 15th application letter, the use of in-state racetrack simulcasts from Aqueduct is not included within the official contest rules. Therefore, approval is conditioned pursuant to Section 908 of the Racing Law, which stipulates that at least half of the races used in an approved handicap contest must emanate from a New York State racetrack.

9. BUFFALO RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS IN 2002

For entry into the minutes, on February 13, 2002, approval was granted for the request by Buffalo Raceway to amend their simulcast plan of operation enabling the import of simulcasts from Oaklawn Park, a thoroughbred racetrack in Arkansas; Santa Anita Racecourse, a thoroughbred racetrack in California; Gulfstream Park, a thoroughbred racetrack in Florida; Suffolk Downs, a thoroughbred racetrack in Massachusetts; the New Jersey Sports & Exhibition Authority for Meadowlands (harness) & Monmouth Park (thoroughbred); Flamboro Downs, a harness racetrack in Ontario and Monticello Raceway, a harness racetrack located in-state.

This approval is effective immediately. All simulcasts may be utilized whenever in accordance with the Racing Law.

10. NYRA REQUEST TO SIMULCAST TO CHOCTAW RACING INC.

For entry into the minutes, on February 13, 2002, approval was granted for the request by NYRA for the addition of the five locations in Oklahoma known as the Chickasaw/Goldsby OTB on I-35 at Highway 9 West in Norman, The River Mist Casino at Highways 39 & 99 in Konaw, the Quapaw Casino at 58100 E. 66 Road in Miami, the Seneca-Cayuga at 24701 S 655 Road in Grove and the Ponca Casino at 20 White Eagle Drive in Ponca City.

These additional sites are under the umbrella and direction of Choctaw Racing Services, LLC., a previously contracted simulcast purveyor with NYRA.

This approval is effective immediately.

11. NYRA REQUEST TO EXPORT TO ADDITIONAL SITES WITHIN LAS VEGAS DISSEMINATION CO.

For entry into the minutes, on February 13, 2002, approval was granted for the request by NYRA for the addition of the Cities of Gold Sports Bar in Albuquerque, NM operated by the Pajoaque Pueblo Gaming, Inc.

12. SARATOGA HARNESS REQUEST TO OFFER HANDICAPPING CONTEST - MARCH

For entry into the minutes, on February 13, 2002, approval was granted for the request by Saratoga Harness, dated February 8, 2002, to conduct a "March Madness" handicapping contest over successive weekends beginning on March 9th and concluding on March 30th. This contest is to be conducted as outlined in the official rules and regulations as submitted to the Board.

To be in compliance with Section 908 of the Racing Law, should Aqueduct Race Track cancel on a Saturday or Sunday contest day, at least half of the legs (races) must originate from within New York State.

13. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS FOR 2002

For entry into the minutes, on February 13, 2002, approval was granted for the request by Saratoga Harness to amend their simulcast plan of operation enabling the import of simulcast signals from Penn National in Pennsylvania including its wholly owned racetracks of Pocono Downs, a harness racetrack; Buffalo Raceway, an instate harness racetrack; Tampa Bay Downs, a thoroughbred racetrack in Florida; Oaklawn Park, a thoroughbred racetrack in Arkansas; Golden Gate Fields, a thoroughbred racetrack in California through March 31st only; Turfway Park, a thoroughbred racetrack in Kentucky through April 4th only and from Rosecroft Raceway, a harness racetrack in Maryland. All simulcasts may be utilized whenever in accordance with the Racing Law. To continue accepting Gold Gate Fields simulcast after March 31st or Turfway Park simulcasts after April 4th new permission letters must be filed with the Board.

Under the Penn National contract the Charles Town Races are listed. These nighttime (after 7:30 p.m.) thoroughbred races are not allowed in New York State under current Racing Law. Additionally, there were no letters of permission included with this application from the West Virginia Racing Commission and the representative horsemen's group at The Charles Town Races permitting this interstate simulcast.

Also approved are the amendments to the Churchill Downs contract providing for the year 2002 Kentucky Derby Future Wager (all three-pool periods) and the amendment to the New York Racing Association (NYRA) contract as a First Amendment.

Further approved, under the Board's current guidelines that require a simulcast license to submit all export contracts with instate or contiguous state entities, are the agreements to export the Saratoga Harness simulcast to Freehold Raceway in New Jersey and to Pocono Downs in Pennsylvania, both contiguous states.

The Board also acknowledges the receipt of the contract providing for the continued export of the Saratoga Harness simulcast to Pompano Park in Florida.

14. YONKERS RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS IN 2002

For entry into the minutes, on February 13, 2002, approval was granted for the request by Yonkers Raceway to amend their simulcast plan of operation enabling the export of simulcast signals to the instate or contiguous state venues known as Batavia Downs, Monticello Raceway and Vernon Downs, the Atlantic City Casino/ Resorts of Bally's Park Place Hotel, Casino and Resort, Resorts Casino Hotel, Trump Taj Mahal Casino Resorts, Caesars Atlantic City Hotel Casino, Sands Hotel Casino, Showboat Hotel Casino, Tropicana Casino & Entertainment Resort and the Trump Marina Hotel Casino, The Meadowlands in New Jersey, The Meadows and its owned affiliates, Philadelphia Park and Penn National and its owned affiliates in Pennsylvania and Plainridge Raceway in Massachusetts. These simulcasts will occur throughout the year 2002.

The following export agreements are acknowledged in conjunction with the Board's policy of the blanket approving instate and inter-state simulcast signal to non-contiguous states, with the licensee agreeing to file monthly reports of simulcast signal destination and rates charged. The Board acknowledges the receipt of agreements providing for the export of the Yonkers Raceway simulcasts to the forty-one (41) Las Vegas Casinos as listed with their individual signature pages, the Las Vegas Dissemination Corporation (LVDC) and the continuance of the Yonkers Raceway simulcast to the Meskwaki Bingo & Casino in Tama, IA, Cities of the Gold Sports Bar in Albuquerque, NM, The Stables in Miami, OK, Fire Lake Entertainment Center in Shawnee, OK, Tonkawa Bingo in Tonkawa, OK, the International Racing Group N.V. in Las Vegas, NJ and the Commanche Nation Games in Lawton, OK, Lebanon Raceway, Thistle Down Racetrack and Raceway Park, all in Ohio, Lewiston Raceway and Scarborough Downs in Maine, Saginaw Raceway and Northville Downs in Michigan, and Sunland Park in New Mexico.

15. NASSAU OTB REQUEST FOR VARIOUS LOCATIONS FOR 2002

For entry into the minutes, on February 13, 2002, approval was granted for the request by Nassau OTB to amend their simulcast plan of operation enabling the import of simulcasts from Sportsman's Park, a thoroughbred racetrack in Illinois and from the harness racetrack in Michigan known as Northville Downs whenever permitted under the Racing Law.

This approval extends to Suffolk Regional OTB.

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

1. IN THE MATTER OF THE NOVEMBER 9, 2001 DISQUALIFICATION OF “ ADAM CAM” (CHRIS CARRUBBA)

The Board approved the recommendation by Hearing Officer Baller that the decision of the judges at Buffalo Raceway to disqualify the horse ADAM CAM for interference while on a break and place the horse from first to fifth place in the eighth race of November 9, 2001 be upheld as a judgment decision.

2. IN THE MATTER OF GEORGE STORY

The Board approved the recommendation of Hearing Officer Baller that the refusal to license harness racing owner applicant George Story, based upon a findings that he had been convicted of a crime involving moral turpitude and that his experience, character and general fitness are such that his participation in harness racing is inconsistent with the public interest, convenience and necessity or with the best interests of racing, be upheld.

3 IN THE MATTER OF ROBERT D. VERNEY

The Board approved the recommendation by Hearing Officer Baller that the decision of the judges Buffalo Raceway, which suspended the driving license of Robert D. Verney for eight days for causing interference by drifting out in the stretch of the November 3, 2001 7th race, in violation of Board Rule 4117.4(l), be upheld.

4. DESIGNATION OF EMPLOYEE TO ADMINISTER OATHS AND ISSUE SUBPOENAS

The Board approved the designation of Sheila H. Osterhout, Secretary to the Board pursuant to Section 101(9) of the Racing, Pari-Mutuel Wagering and Breeding Law to administer oaths, examine witnesses and issue subpoenas to compel attendance and for the production of documents.

5. REINSTATEMENT OF JAMESTOWN MOOSE

The Board approved the reinstatement of the Jamestown Moose registration identification number with corresponding eligibility for a Games of Chance license. The Board has confirmed that the arrearage amount of \$41,621.00 has been donated to worthy causes.

6. CONSENSUS RULE MAKING HARNESS RULES PROJECT

The Board approved, as a consensus rule-making proposal, the recommended amendments to the Harness Rules. The required analysis/forms will be filed with the Department of State, with a 45-day comment period.

7. ADOPTION OF CONSENSUS RULE MAKING THOROUGHBRED RULES PROJECT

The Board adopted the enumerated consensus rule making amendments to the Board's thoroughbred rules (9 NYCRR Part 4000).

8. BATAVIA DOWNS/WESTERN OTB TRACK LICENSE APPLICATION FOR 2002

The Board approved the Western OTB year 2002 track and simulcast license applications for Batavia Downs. The Board determined that the required racing related services should be under contract no later than June 15th with a working test completed, with Board personnel present, before July 1, 2002.

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 Batavia Downs 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 Batavia Downs 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, Batavia Downs has agreed to immediately cease simulcasts with that site upon written notice from the Board.

9. BATAVIA DOWNS/WESTERN OTB SIMULCAST LICENSE APPLICATION FOR 2002

See Board item number 8.

10. FINGER LAKES REQUEST TO WITHDRAW FROM CIF - \$69,019.36

The Board approved the request by Finger Lakes Racing Association, Inc., dated January 7, 2002, to withdraw \$69,019.36 from their Capital Improvement Fund for capital improvement expenditures.

Backstretch & Barns (34%)

Repair and seal barn roofs \$23,277.85

Other (66%)

Ice Machine – Jockey Room 1,703.44

Washing Machine – Jockey Room 619.92

TV Modulators 6,110.67

Air Conditioners – NYS Racing &
Wagering Board Office 573.52
Paving Grandstand & Employee Entrance 13,812.03
Seal coat Grandstand Roof 6,644.70
Spinner Spreader for track maintenance 10,666.86
Weight Scale Jockey Room 941.60
Air Conditioning System main office 3,070.00
Logo signs for inside rail main track 652.46
Vinyl Stripes for distance markers main track 946.31
\$45,741.51

Total Recommended Approval \$69,019.36

11. FINGER LAKES REQUEST TO WITHDRAW FROM CIF - \$61,041.36

The Board approved the request by Finger Lakes Racing Association, Inc., dated January 8, 2002, to withdraw \$61,041.36 from their Capital Improvement Fund for capital improvement expenditures.

Backstretch & Barns (100%)

Resurface Training Track \$60,321.36
Shavings Bin Replacement _____ 720.00

Total Recommended Approval \$61,041.36

12. FINGER LAKES REQUEST TO WITHDRAW FROM CIF - \$7,118.93

The Board approved the request by Finger Lakes Racing Association, Inc., dated February 8, 2002, to withdraw \$7,118.93 from their Capital Improvement Fund for capital improvement expenditures.

Backstretch & Barns (19%)

Electric Cable Service – Dorm #1 \$ 639.33

Shavings Container 720.00

\$1,359.33

Other (81%)

Condenser Walk-in Commissary 834.60

Winners Circle Fencing 4,925.00

\$5,759.60

Total Recommended Approval \$7,118.93

13. NYRA REQUEST FOR APPROVAL OF PERMIT FOR BELMONT CHILD CARE CENTER

The Board approved the issuance of a demolition permit for the removal of an existing structure (Cottage #28) on the grounds of Belmont Park related to the anticipated construction of the Belmont Child Care Center.

This permit is issued pursuant to Section 239 of the Racing, Pari-Mutuel Wagering and Breeding Law.

14. NYRA REQUEST FOR ROSTER OF RACING OFFICIALS FOR 2002

The Board approved the request by NYRA for all officials and employees listed as belonging in Categories I, II or III to perform duties at the New York Racing Association' s tracks during the year 2002 racing season.

Braulio Baeza, Sr. had been approved as a Category III official during the year 2001 with the capacity of serving as “ an alternate steward” . As noted on January 30, 2002, Mr. Baeza was inadvertently left off the Category III roster of names submitted for approval for the years 2002. Braulio Baeza, Sr., along with the other listed individuals, has been approved as a Category III official for 2002.

This approval is in compliance with Board Rule 4005.1.

15. SARATOGA HARNESS REQUEST TO WITHDRAW FROM CIF - \$89,343.12 (69,064.81 + 20,278.31)

The Board deferred the request by Saratoga Raceway to withdraw \$89,343.12 from its Capital Improvement Fund for reimbursement of capital improvement (\$69,064.81) and advertising and promotion (\$20,278.31) expenditures pending receipt of information concerning reimbursement of rubber mats for the paddock stalls.

16. CATSKILL OTB SIMULCAST LICENSE APPLICATION FOR 2002

The Board deferred the Catskill OTB year 2002 simulcast license application pending consideration of Monticello Raceway's objection to licensing due to the lack of a contract between the two parties.

17. CAPITAL OTB REQUEST TO ADD E-Z BET LOCATION - PLATTSBURGH

The Board approved the request by Capital OTB, dated November 21, 2001, to conduct wagering and display simulcasts at Lindsey's at the Inn at Smithfield in Plattsburgh, New York (Clinton County) located at 4466 Route 3. At this new E-Z Bet location, all wagering is self-service and initiated using a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be five hundred dollars (\$500).

It is expected that Capital OTB, using its own security (North Country division) and audit employees, will inspect the Lindsey's at the Inn at Smithfield E-Z Bet facility and certify that all rules and laws concerning the conduct of wagering in New York State, are being followed. A copy of the results of all Capital security checks involving E-Z Bet locations must be filed with the Board in a timely manner.

The Secretary to the Board must be immediately notified in writing should a change in any operating procedure become effective at this approved E-Z Bet facility.

Approval is conditioned upon receipt, prior to operations, of local approval pursuant to Section 1003 (2)(f) of the Racing, Pari-Mutuel Wagering and Breeding Law.

18. CAPITAL OTB REQUEST TO ADD E-Z BET LOCATION - HUDSON FALLS

The Board approved the request by Capital OTB, dated November 21, 2001, to conduct wagering and display simulcasts at Saluto Restaurant and Lounge located at 186 Main Street in Hudson Falls, New York (Greene County). At this new E-Z Bet location, all wagering is self-service and initiated using a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be five hundred dollars (\$500).

It is expected that Capital OTB, using its own security and audit employees, will inspect the Saluto Restaurant and Lounge E-Z Bet facility and certify that all rules and laws concerning the conduct of wagering in New York State, are being followed. A copy of the results of all Capital OTB security checks involving E-Z Bet locations must be filed with the Board in a timely manner.

The Secretary to the Board must be immediately notified in writing should a change in any operating procedure become effective at this approved E-Z Bet facility.

Approval is conditioned upon receipt, prior to operations, of local approval pursuant to Section 1003 (2)(f) of the Racing, Pari-Mutuel Wagering and Breeding Law

19. WESTERN OTB REQUEST TO APPOINT NEW BOARD OF DIRECTOR - WHITE

The Board approved the appointment of Mr. William Ronald White to the Western Regional Off-Track Betting Corporation' s Board of Directors.

Mr. White will be representing the County of Seneca on Western' s Board of Directors.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. FIVE-YEAR REVIEW OF RULES - 01/02-26-E

Section 207 of the State Administrative Procedure Act requires that an agency must review any rule adopted on or after January 1, 1997. The review is required in the fifth year after adoption and thereafter at five-year intervals. Attached is a copy of the Board' s published Regulatory Agenda in conformity with this rule. A single rule, 5624.3, is subject to review in 2002. Public comments on the continuation or modification of this Rule are invited through March 11, 2002.

2. BUFFALO RACEWAY VLT' S – LOCAL LAW - 02/02-12-E

Erie County Local Law No. 1 of 2002, in relation to the operation of video lottery gaming at Buffalo Raceway. This law constitutes the required local approval authorizing Buffalo Raceway to operate video lottery gaming in accordance with provisions of the New York State Tax Law.

3. MONTICELLO RACEWAY ANNUAL CIF INSPECTION - 01/02-29-E

On January 10, 2002, Board staff conducted the annual capital improvement inspection at Monticello Raceway.

4. CAPITAL OTB – E-Z BET COMMISSIONS - 02/02-13-E

Capital OTB will be increasing the E-Z Bet commission paid to its E-Z Bet vendors from 10% to 12%, effective April 1, 2002.

5. GAMES OF CHANCE – BINGO REGISTRATION NUMBERS – JANUARY/FEBRUARY - 02/02-16-E List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between January 11, 2001 – February 19, 2002.

6. GAMES OF CHANCE – BELL JAR TICKETS – JANUARY/FEBRUARY - 02/02-18-E List of bell jar tickets authorized/denied by the Charitable Gaming Unit between January 11, 2002 – February 19, 2002.

7. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS - JANUARY/FEBRUARY - 02/02-17-E

List of manufacturers/suppliers licensed for 2002, by the Charitable Gaming Unit, between January 11, 2002 – February 19, 2002.

8. AGRICULTURE & NYS HORSE BREEDING DEVELOPMENT FUND SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS FOR 2001 -

02/02-19-E

Staff reviewed the summary of cash receipts and disbursements of the Harness Breeders for the twelve months ended December 31, 2001.

The meeting was adjourned at 12:58 p.m.