

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF JUNE 12, 2002

A meeting of the New York State Racing and Wagering Board was held on Wednesday, June 12, 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 11:30 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Ed Martin, Executive Director

Sheila Osterhout, Secretary to the Board

Robert Feuerstein, General Counsel

Jim Kellogg, Audits & Investigations

Joe Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Denise Poole, NYSR&WB

Stacy Clifford, NYSR&WB

Bill Heller, Thoroughbred Times

Steve Bochnak, NYS Assembly

Jason Wheatley, NYS Senate

Mike Kane, Gazette

OPEN COMMENT PERIOD: No comments were made.

A. The Board approved the minutes of the Board meeting held on May 3, 2002.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. BUFFALO RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS FOR 2002

For entry into the minutes, on May 2, 2002, approval was granted for the request by Buffalo Raceway to amend their simulcast plan of operation enabling the import of thoroughbred simulcasts from the Spring meeting only from Hollywood Park and from the entire year 2002 harness racetrack meeting from Hazel Park in Michigan.

The federally required permission letter from the horsemen' s group, the Thoroughbred Owners of California (TOC) for the Hollywood Park simulcasts to take place, specifies the Spring-Summer meeting only. New letters for the scheduled Fall Hollywood Park race meeting must be filed with the Board prior to the opening of that Fall Hollywood Park meeting.

2. VERNON DOWNS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on May 2, 2002, approval was granted for the request by Vernon Downs to amend their simulcast plan of operation enabling the export of simulcast signals to the instate racetracks of Buffalo Raceway, Batavia Downs, Monticello Raceway, Saratoga Harness and Yonkers Raceway.

Also approved are the agreements with Suffolk Downs and Plainridge Racecourse in Massachusetts and with The Meadows in Pennsylvania.

All approvals are given within the Board' s guidelines of receiving all import contracts for all incoming simulcasts to licensed simulcast centers and all export contracts that are new, with an instate entity or with an entity located in a contiguous state.

3. NEW YORK CITY OTB REQUEST FOR TELEPHONE BETTING PROMOTION

For entry into the minutes, on May 2, 2002, approval was granted for the request by New York City Off-Track Betting Corporation to amend their plan of operation enabling a ten dollar (\$10) credit to all telephone account holders that have inactive accounts for at least one year prior to March 31, 2002, or time of New York City OTB marketing contact, provided such account holder deposits at least ten dollars (\$10) into his/her account.

4. WESTERN OTB REQUEST FOR NEW CONCESSIONAIRE - HOLLAND

For entry into the minutes, on May 2, 2002, approval was granted for the request by Western OTB to appoint Larry Jon Holland to the position of concessionaire at the Phoenix branch.

5. NASSAU OTB REQUEST FOR VARIOUS LOCATIONS IN 2002

For entry into the minutes, on May 7, 2002, approval was granted for the request by Nassau Regional OTB, dated April 30, 2002, to amend their simulcast plan of operation enabling the import of simulcasts from the thoroughbred tracks located in the State of Louisiana at Louisiana Downs and from Hawthorne Race Course in Illinois.

Although the Hawthorne Race Course contract is for all of 2002, the simulcasts are approved through June 4th only as per the letter from the Illinois Thoroughbred Horsemen's Association. To continue after this date with the later Hawthorne Park meetings, a new permission letter from the Illinois Thoroughbred Horsemen must be filed with the Board.

This approval extends to Suffolk Regional OTB as well. All simulcasts may be utilized and wagering conducted whenever in accordance with the Racing Law.

* For entry into the minutes, on May 13, 2002, approval was granted for the request by Nassau Regional OTB, dated May 1, 2002, to amend their simulcast plan of operation enabling the importation of the simulcasts from Yavapai Downs in Arizona during their 2002 meeting that begins on May 25th and concludes on September 3rd.

This approval to import the Yavapai Downs simulcasts also applies to Suffolk Regional OTB. The Yavapai Downs simulcasts may be imported and utilized for wagering whenever in accordance with the Racing Law.

* For entry into the minutes, on May 24, 2002, approval was granted for the request by Nassau Regional OTB to amend their simulcast plan of operation enabling the import of simulcast signals from Ocean Downs, LLC, d/b/a Ocean Downs whenever permitted by current Racing Law.

This approval is also valid for the Suffolk Regional Off-Track Betting Corporation.

* For entry into the minutes, on June 3, 2002, approval was granted for the request by Nassau OTB, dated May 23, 2002, to amend their simulcast plan of operation enabling the import of simulcasts from Rockingham Park, a thoroughbred racetrack in New Hampshire.

This imported simulcast signal may be used whenever permitted under the Racing Law. This approval also extends to Suffolk Regional OTB.

* For entry into the minutes, on June 11, 2002, approval was granted for the requests by Nassau Regional OTB, dated May 15, 29 & 30, 2002, to amend their simulcast plan of operation enabling the import of the simulcasts from The California Fairs during 2002 as listed within the application; Pompano Park in Florida through December 31, 2002; Arlington Park through their 2002 race meet and Monmouth Park in New Jersey through June of 2002.

The Monmouth Park approval for a single month coincides with the federally required letter of permission from the New Jersey Thoroughbred Horsemen's Association that specifies " month of June 2002" .

These imported simulcast signal may be used whenever permitted under the Racing Law. This approval also extends to Suffolk Regional OTB.

6. WESTERN OTB REQUEST TO SIMULCAST VERNON DOWNS

For entry into the minutes, on May 7, 2002, approval was granted for the request by Western Regional OTB to amend their simulcast plan of operation enabling the import of the simulcast signal from Vernon Downs to all Western OTB branches and its teletheater.

This approval is effective immediately.

7. FINGER LAKES REQUEST TO OFFER PROMOTION

For entry into the minutes, on May 9, 2002, approval was granted for the request by Finger Lakes to distribute betting vouchers totaling one hundred and fifty dollars (\$150.00) as a part of the prizes awarded in the “ Deer on Parade Naming Contest” .

8. NYRA REQUEST TO DESIGNATE RACES AS SPECIAL EVENTS

For entry into the minutes, on May 9, 2002, approval was granted for the request by NYRA to designate a special double wager combining the Epsom Darby emanating from the Epsom Downs Race Course in England and the Belmont Stakes on Saturday, June 8, 2002 as an out-of-state or out-of-country special thoroughbred event.

Wagering on the Epsom Darby in all pari-mutuel pools other than the double pool is permitted under Section 1017-a of the Racing Law and “ special event” status is not required as this race occurs before the first in-state thoroughbred race of the day is contested.

9. NYRA REQUEST TO DESIGNATE RACES AS SPECIAL EVENTS

For entry into the minutes, on May 13, 2002, approval was granted for the request by NYRA to designate a one million dollar guaranteed pick-six wager from Hollywood Park in California on Memorial Day, Monday, May 27th; the Grade II Massachusetts Handicap from Suffolk Downs in Massachusetts on Saturday, June 1st; the Grade III New Hampshire Sweepstakes from Rockingham Park in New Hampshire on Saturday, June 22nd; and the Queen’ s Plate from Woodbine International on Sunday, June 23rd as “ special events” .

Should no one pick all six winners in the Hollywood Park, May 27th, pick-six pari-mutuel pool, New York State residents may participate in the immediate next pick-six pool offered at Hollywood Park on Thursday, May 30th.

10. FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on May 24, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the continued exportation of the Finger Lakes simulcasts to the Meadows, a harness track in Pennsylvania and its named satellites

(OTBs) during the year 2002 Finger Lakes racing season.

Additional approved recipients of these simulcasts are Youbet.com and Xpress Bet account wagering and Xpress Bet online. As provided in paragraphs five and six in the addendum, The Meadows agrees not to offer wagering to New York residents through Youbet.com, Xpress Bet or Xpress Bet online on Finger Lakes races.

For entry into the minutes, on May 24, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the export of simulcasts to Stevenson & Associates for their distribution per contract.

This approval is valid through December 8, 2002 per the contract terms.

* For entry into the minutes, on May 29, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the import of simulcasts from Lone Star Park in Grand Prairie, Texas and from Delaware Park in Stanton, Delaware.

These simulcast signals may be utilized whenever permitted under the Racing Law.

* For entry into the minutes, on May 30, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the import of the Vernon Downs simulcast into Finger Lakes during the year 2002 Vernon Downs racing season.

* For entry into the minutes, on June 4, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the import of simulcasts from Prairie Meadows in Iowa.

This simulcast signal may be utilized whenever permitted under the Racing Law.

* For entry into the minutes, on June 6, 2002, approval was granted for the June 6, 2002 request by Finger Lakes to amend their simulcast plan of operation enabling the export of simulcasts to Arlington Park in Illinois and its associated satellite facilities.

This approval is valid throughout the year 2002.

11. NYRA REQUEST TO SIMULCAST LOS CAYOS

For entry into the minutes, on May 24, 2002, approval was granted for the request by NYRA for the addition of an outlet for Los Cayos, S.R.L. under auspices of Gambling 777 Investors CA.

Stevenson and Associates will administer wagering activity on NYRA races at this new site.

This approval is effective immediately.

12. NYRA REQUEST TO CANCEL DESIGNATE SPECIAL EVENT

For entry into the minutes, on May 24, 2002, approval was granted for the request by NYRA to cancel a previously approved “ special event” , a double wager combining the Epsom Darby emanating from the Epsom Downs Race Course in England and the Belmont Stakes from Belmont Park on Saturday, May 8, 2002.

This event has been removed from the monthly listing of approved thoroughbred “ special events” sent to all New York State simulcast licensees.

13. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on May 29, 2002, approval was granted for the request by Saratoga Harness to amend their simulcast plan of operation enabling the import of simulcasts from Lone Star Park in Texas during their year 2002 thoroughbred meeting.

This simulcast signals may be utilized whenever permitted under the Racing Law.

* For entry into the minutes, on June 4, 2002, approval was granted for the request by Saratoga Harness to amend their simulcast plan of operation enabling the import of the simulcast signal from Suffolk Downs in Massachusetts during their year 2002 thoroughbred racing season.

14. SARATOGA HARNESS REQUEST TO CANCEL LIVE RACING

For entry into the minutes, on May 29, 2002, approval was granted for the request by Saratoga Harness to amend their plan of operation enabling the cancellation of the scheduled race program of Friday, July 5th.

15. YONKERS RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on May 29, 2002, approval was granted for the request by Yonkers Raceway to amend their simulcast plan of operation enabling the import of simulcasts from Scioto Downs in Ohio.

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

* For entry into the minutes, on June 11, 2002, approval was granted for the request by Yonkers Raceway to amend their simulcast plan of operation enabling the import of the Ocean Downs harness simulcast signal from Maryland and the Red Mile simulcast signals from Lexington, Kentucky.

These approvals are valid for the year 2002 racing meetings at each harness track.

16. BUFFALO RACEWAY REQUEST TO CANCEL LIVE RACING

For entry into the minutes, on May 31, 2002, approval was granted for the request by Buffalo Raceway to amend their plan of operation enabling the cancellation of the scheduled race program on Thursday, June 6th.

17. YONKERS RACEWAY REQUEST TO CANCEL LIVE RACING

For entry into the minutes, on June 3, 2002, approval was granted for the request by Yonkers Raceway to amend their plan of operation enabling the cancellation of the scheduled race program of Thursday, June 6th.

18. MONTICELLO RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on June 4, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the addition of Racing Services, Inc. and its listed simulcast affiliates, effective immediately.

The Board must be notified immediately of any additions or deletions to the roster of sites carrying the Monticello signal through the auspices of Racing Services, Inc.

19. NYRA REQUEST TO DESIGNATE RACES AS “ SPECIAL EVENTS”

For entry into the minutes, on June 4, 2002, approval was granted for the request by NYRA to designate a one million dollar guaranteed pick-six wager from Hollywood Park in California on Saturday, June 15th; the Virginia Derby from Colonial Downs in Virginia on Saturday, July 13th; The Grade II Ohio Derby from Thistledown Race Track on Saturday, July 20th; and the Grade III Gardenia Stakes from Ellis Park in Henderson, Kentucky on Saturday, August 10th as designated “ special events” .

Should no one pick all six winners from Hollywood Park during the June 15th Pick Six pari-mutuel pool, New York State residents may participate in the immediate next pick-six pool offered at Hollywood Park on Sunday, June 16th.

20. CAPITAL OTB REQUEST FOR PROMOTIONS – SUMMER AND FALL 2002

For entry into the minutes, on June 6, 2002, approval was granted for the request by Capital Regional OTB, dated May 29, 2002, to offer new telephone account holders signed-up at the New York State Fair or the Clinton County Fair, a maximum matching deposit of twenty-five dollars (\$25.00) if the customer deposits at least twenty-five dollars.

Further approved is a new fifty-cent (\$.50) admission to the Albany Teletheater on the six Wednesdays of the NYRA-Saratoga Race Course meeting and the “ Fan Appreciation Days” at one branch per county on Fall Belmont Park race days during September. On these “ Fan Appreciation Days” , the first 100 customers to enter the branch will receive a free two-dollar (\$2.00) betting voucher.

The Board acknowledges the offering of free food and drink to customers at the branches during the “ Fan Appreciation Days” . This is a promotion that does not require Board approval.

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

1. WESTERN OTB REQUEST FOR BOND ANTICIPATION NOTE

For entry into the minutes, on May 2, 2002, the Board approved the request by Western Regional Off-Track Betting Corporation, dated April 25, 2002, for the issuance of a Bond Anticipation Note (BAN) in the amount of \$5,976,000 pursuant to Section 508 (1) of the Racing, Pari-Mutuel Wagering and Breeding Law.

2. WESTERN OTB REQUEST TO CERTIFY BOARD OF DIRECTORS

For entry into the minutes, on May 9, 2002, approval was granted for the request by Western Regional Off-Track Betting Corporation for a certification reflecting that the appointment of each of the current Board of Directors by their respective municipalities has been approved by the New York State Racing and Wagering Board, pursuant to Section 502 (6) of the Racing, Pari-Mutuel Wagering and Breeding Law. The following members have been so approved by the Board:

Participating Municipality Board Representative
City of Buffalo Daniel J. Carnevale

Cattaraugus County James K. Johnston

Cayuga County Joseph Mastroianni

Chautauqua County Roger E. Ruckman

Erie County Gregory L. Davis, Esq.

Genesee County Richard E. Siebert

Livingston County Robert J. Kane, Esq.(Chairman)

Monroe County Eugene C. Mazzola

Niagara County Robert L. Seger

Orleans County George E. Herring, Jr.

Oswego County Edward J. Sohoski

City of Rochester T. Andrew Brown, Esq.

Schuyler County Philip C. Smith

Seneca County William R. White

Steuben County Charles D. Henderson(Vice-Chairman)

Wayne County Joseph Gallo

Wyoming County Carole Butler

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

1. IN THE MATTER OF MICHAEL DICKINSON

The Board approved the recommendation by Hearing Officer Baller that the decision of the State Steward at Belmont Park, which imposed a \$250 fine as a result of the finding of furosemide in the June 30, 2001 post-race blood sample of FLEET RENEE, which competed in the 8th race at Belmont Park, in violation of Board Rules 4022.13, 4043.2 and 4043.4 be affirmed.

2. IN THE MATTER OF THOMAS GUIDO, III

The Board adopted the Hearing Officer' s findings of fact and thereby upheld the violation of Rules 4120.2(f) and 4120.4. The Board accepted the Hearing Officer' s recommendation that the penalty should be modified from 90 days and a \$250 fine to 90 days and \$2,500 fine; however, the Board determined to stay \$2,250 of the \$2,500 fine to be deemed satisfied in the event that Mr. Guido does not violate any Board rule concerning drugs or medications, or his conduct or any matter affecting the integrity of racing during a two year period to be measured from the first effective date of the 90 day suspension.

3. IN THE MATTER OF DAVID MILLER

The Board approved the recommendation by Hearing Officer Baller that the decision to deny an owner/trainer harness racing license to Mr. Miller be affirmed.

4. IN THE MATTER OF MARC G. MOSHER

The Board approved Hearing Officer Baller' s recommendation that Mr. Mosher violated Board Rule 4117.4(p) in that he had driven his horse ROYAL MACHINE with lack of effort in the 9th race at Monticello Raceway on March 25, 2001 and that the 30 day suspension should be upheld. The suspension shall be served at the discretion of a Board official in the event Mr. Mosher is relicensed or is participating in racing.

5. IN THE MATTER OF WADE BIRNBAUM - REQUEST TO AMEND FINDINGS & ORDER

The Board amended the Findings and Order, dated January 18, 2001, only as to the conditions for relicensing, to read:

“ that Mr. Birnbaum be considered for licensing only upon submitting acceptable proof of

satisfactory participation in a substance abuse program, and of his fitness to participate in racing, including by his submission to Board representatives of urine specimens that test negative for unlawful drugs.”

6. FIVE YEAR REVIEW OF BOARD RULE 5624.3 (RAFFLE LICENSING FEE)

The Board approved the continuation in effect without modification of Board Rule 5624.3, which imposes an additional two percent licensing fee for the conduct of raffles by licensed authorized organizations.

7. MONTICELLO RACEWAY REQUEST TO WITHDRAW FROM CIF - \$24,293.49

The Board denied, without prejudice, the request by Monticello Raceway, dated April 9, 2002, to withdraw \$24,293.49 from its Capital Improvement Fund for reimbursement of capital improvement expenditures.

The Board determined that Monticello Raceway must first address the problem of the leaking grandstand roof to the Board’s satisfaction before any other requests for reimbursement from the Capital Improvement Fund will be considered.

8. SYRACUSE MILE TRACK LICENSE APPLICATION FOR 2002

The Board granted a license to Buffalo Trotting Association, Inc. to conduct a pari-mutuel race meet at the Syracuse Fair Grounds on August 3, 4, 9, 10 & 11, 2002. This license is granted with the condition that if Mid-State Raceway, Inc. is licensed to conduct pari-mutuel racing during the relevant race dates in August 2002, the Board will reconsider this license and act upon the previously submitted license application of the Syracuse Mile, Inc.

9. CAPITAL OTB REQUEST TO ADD E-Z BET LOCATION - ALBANY

The Board approved the request by Capital District Regional OTB, dated June 27, 2001, to conduct wagering and display simulcasts at O’ Toole’s Restaurant Pub located in the Capitol Plaza at 1814 Central Avenue, Albany, New York (Albany County). At this new E-Z Bet location, all wagering is self-serve 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 District Regional OTB, using its own audit employees, will inspect the O’ Toole’s Restaurant Pub 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.

10. CAPITAL OTB REQUEST TO ADD E-Z BET LOCATION - ALBANY

The Board approved the request by Capital District Regional OTB, dated February 4, 2002, to conduct wagering and display simulcasts at Andy's Place located at 605 New Scotland Avenue, Albany, New York (Albany County). At this new E-Z Bet location, all wagering is self-serve 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 District Regional OTB, using its own audit employees, will inspect the Andy's Place 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.

11. CAPITAL OTB REQUEST FOR CONCESSIONAIRE - LAKE GEORGE

The Board amended the request by Capital OTB to amend their plan of operation to authorize the operation of Farrara Marketing International, LLC as the concessionaire at the facility located at One Canada Street in Lake George.

This amendment is effective on a temporary basis through July 17, 2002.

12. WESTERN OTB REQUEST FOR NEW CONCESSIONAIRE - AMHERST

The Board approved the appointment of Mr. Vincent A. DiRe, Jr. as the concessionaire at the Western Regional Off-Track Betting Corporation's Amherst branch located on Wehrle Road.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. INDIAN GAMING LICENSING STATISTICS – 1/1/02 – 5/31/02 - 06/02-06-E
Licensing statistics through May 31, 2002. Also included are the certifications for Turning Stone and Akwesasne.

2. WITHDRAWAL OF NOTICE OF ADOPTION – THOROUGHBRED CONSENSUS RULE MAKING - 06/02-07-E

Pursuant to the attached May 20, 2002 letter from Department of State's Publications Manager, the Department has returned the Notice and related documents. In essence, the Department has determined that the consensus rule making must be withdrawn because the Board received negative comments to at least one of the amendments within the original proposed consensus rule making. Consequently, the attached Notice of Withdrawal (dated June 4, 2002) has been filed. None of the proposed changes will take effect.

3. GAMES OF CHANCE – BINGO REGISTRATION NUMBERS – APRIL/JUNE- 06/02-10-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between April 26, 2002 - June 4, 2002.

4. GAMES OF CHANCE – BELL JAR TICKETS – APRIL/JUNE - 06/02-08-E

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between April 26, 2002 - June 4, 2002.

5. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS - APRIL/JUNE - 06/02-09-E

List of manufacturers/suppliers licensed for 2002, by the Charitable Gaming Unit, between April 26, 2002 – June 4, 2002.

The meeting was adjourned at 12:22 p.m.