

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF MARCH 18, 1999

A meeting of the New York State Racing and Wagering Board was held on Thursday, March 18, 1999 at 2:00 p.m. at the New York City OTB Teletheater located at 991 2nd Avenue (between 52nd and 53rd Street), New York, New York.

The meeting was called to order at 2:20 p.m. The NYRA Purse issue was discussed and the meeting broke at 2:35 p.m. and reconvened at 2:50 p.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman
Joseph P. Neglia, Member
Bennett Liebman, Member
Edward Martin, Executive Director
Stephanie L. Donato, Secretary to the Board
Robert Feuerstein, General Counsel
Tom Casaregola, Acting Director of Audits and Investigations
Jim Gallagher, Chief of Racing Operations

Also in Attendance Were:

Nicole Robilotto, NYSRWB
Robert Flynn, NYTHA
Dan Wray, NYCOTB
William Carnevale, NYCOTB
Ira Block, NYCOTB
Joseph Magnani, NYCOTB
Ron Cesler, NYCOTB
Joel Greenspan, NYCOTB
Michael J. Tighe, OTB (Capital)
John Russo, NYRA

A. The Board approved the minutes of the Board Meetings held February 25, 1999 and March 2, 1999.

A Special Meeting of the New York State Racing and Wagering Board was to be held on March 1, 1999, at the Executive Office at 1 Watervliet Avenue Extension,

Suite 2, Albany, New York. This meeting was to consider Board item D-21 (February 25th meeting) concerning which the New York State Racing and Wagering

Board deferred action until Monday, March 1, 1999 at noon.

The Meeting was cancelled on March 1, 1999 upon receipt of a tentative agreement

between the New York Racing Association (NYRA) and the New York Thoroughbred Horsemen's Association (NYTHA). The NYTHA met on March 16, 1999 to vote on the agreement.

B. ITEMS PREVIOUSLY APPROVED, DENIED OR DEFFERED BY THE CHAIRMAN

1. BUFFALO RACEWAY REQUEST TO AMEND PLAN OF OPERATION
For entry into the minutes, on February 24, 1999, approval was granted for the request by Buffalo Raceway to amend their plan of operation and import simulcasts from Monticello Raceway and Turfway Park.

2. BUFFALO RACEWAY REQUEST TO AMEND PLAN OF OPERATION
For entry into the minutes, on February 24, 1999, approval was granted for the request by Buffalo Raceway to approve the simulcast contract with Western Regional

Off-Track Betting Corporation.

The contract is in effect throughout the entire 1999 season of live harness racing at Buffalo Raceway. The contract may be terminated at any time upon conclusion of the Buffalo live racing season.

3. NEW YORK RACING ASSOCIATION REQUEST TO ACCEPT WAGERS ON PICK-SIX PARI-MUTUEL POOL AT SANTA ANITA
For entry into the minutes, on February 24, 1999, approval was granted for the request by the New York Racing Association for on-track and telephone customers to wager into the special \$1 million guaranteed Pick-Six Pari-Mutuel Pool at Santa Anita on Saturday, March 6, 1999.

If no one, anywhere, participating in the pick-six pool has all six winners on Saturday; NYRA patrons may also participate in the carry-over

pool on Sunday, March 7, 1999.

4. NEW YORK CITY OFF-TRACK BETTING REQUEST TO AMEND PLAN OF OPERATION
For entry into the minutes, on February 24, 1999, approval was granted for the request by the New York City Off-Track Betting Corporation to amend their plan of operation and appoint Mr. Richard Labriola to Executive Vice President of Operations and Mr. Dennis McManus to Senior Vice President of New Business, Telephone Betting Operations and Community Affairs.

5. NASSAU OFF-TRACK BETTING CORPORATION TO SIMULCAST FROM HIALEAH PARK AND SPORTSMAN'S PARK
For entry into the minutes, on February 24, 1999, approval was granted for the request by Nassau Off-Track Betting Corporation to import the simulcast signals from Hialeah Park in Florida and Sportsman's Park in Illinois, as provided for in the Racing Law, and for their entire 1999 race meetings.

This approval also extends to the Suffolk Regional Off-Track Betting Corporation.

6. NEW YORK RACING ASSOCIATION REQUEST TO SIMULCAST RACES OF SPECIAL INTEREST FROM HIALEAH
For entry into the minutes, on February 25, 1999, approval was granted for the request by the New York Racing Association to designate the following thoroughbred races as special events:

Date	Race
03/20/99	Everglades Stakes (III)
03/20/99	Widener Handicap (III)
04/03/99	Flamingo (III)
04/17/99	Hialeah Turf Cup (II)

7. NEW YORK RACING ASSOCIATION REQUEST TO CONDUCT PROMOTIONAL EVENTS
For entry into the minutes, on March 2, 1999, approval was granted for the request by the New York Racing Association to conduct the following promotional events:

March 27th - Free grandstand admission at Aqueduct Racetrack to anyone who attends the Market Pro Computer Show and Sales to be held on March 20th and 21st at Aqueduct.

April 10th - Direct mailing of Mystery Mutuel Vouchers to approximately 50,000 patrons on Aqueduct's mailing list. Vouchers will be valued at \$2, \$5, \$100 and \$10,000. Approximately 20% of the vouchers mailed will be valued at \$5 or more and one voucher will be valued at \$10,000.

April 17th and 18th - Handicapping Tournament - There is an entry fee of \$300 per person to enter this tournament for the two days. The entry fee entitles each patron to clubhouse and Equestris admission, luncheon buffet, cocktail reception, complimentary track program and Daily Racing Form and a free NYRA gift (article of clothing) for both days. The tournament will be held in the area of the Equestris Dining Room.

May 1st - Free Clubhouse and Equestris Dining Room admission and a free \$2 bet voucher on Kentucky Derby Day, Saturday, May 1st , as part of Aqueduct's Kentucky Derby party. The party will be priced between \$30 and \$35 per person, with a final decision due on March 1st. The bet voucher is valid only on Derby Day.

Free Clubhouse admission coupon in conjunction with print advertising in City Guide, a magazine distributed in NYC and on Long Island, a Long Island publication. The coupon is valid during weekdays only (excluding holidays), during the Aqueduct or Belmont Park spring and summer meetings.

NYRA , in conjunction with the NYS Thoroughbred Breeding and Development Fund will offer two daily Saratoga Clubhouse passes to all winners of a "Vote for your New York Bred choice of the Year" contest. Voting will be conducted on the NYS Thoroughbred and Development web site and on track at Aqueduct through March 21st.

Denied The Board denied NYRA's request to participate in the National Thoroughbred Racing Association's Fantasy Challenge. This request was denied because it violates the provisions of Section 908 regarding handicapping tournaments which requires that all fees collected be distributed as prizes, as well as the requirement that 50% of the races of the tournament be held in New York.

8. WESTERN OTB REQUEST TO AMEND ITS PLAN OF OPERATION

For entry into the minutes, on March 2, 1999, approval was granted for the request by Western Off-Track Betting Corporation to amend its plan of operation

and appoint Mr. Phillip Tooze as the concessionaire of the simulcast branch located at 8315 Park Road, Batavia, New York.

The approval is conditioned upon a satisfactory return of Mr. Tooze's fingerprint card. (See F items.)

9. MONTICELLO RACEWAY REQUEST FOR UPCOMING 1999 CALENDAR YEAR

For entry into the minutes, on March 3, 1999, approval was granted for the request by Monticello Raceway to import simulcasts, effective March 2 through November 27, 1999, from Saratoga Harness.

The Board also approved the simulcast export of Monticello signal to Northville Downs in Michigan throughout 1999.

10. VERNON DOWNS REQUEST TO SIMULCAST HIALEAH PARK

For entry into the minutes, on March 3, 1999, approval was granted for the request by Vernon Downs to import the simulcast signal from Hialeah Park (Florida) whenever permitted under the Racing Law.

Approval extends throughout the 1999 Hialeah Park meeting that concludes on May 22nd.

11. NASSAU OFF-TRACK BETTING REQUEST TO IMPORT SIMULCAST FROM LONE STAR PARK

For entry into the minutes, on March 3, 1999, approval was granted for the request by Nassau Off-Track Betting Corporation to simulcast the 1999 thoroughbred meeting from Lone Star Park in Texas. The Lone Star simulcasts begin on April 15th and conclude on July 25, 1999.

Approval also extends to Suffolk Regional Off-Track Betting Corporation.

12. NEW YORK CITY OFF-TRACK BETTING REQUEST TO SIMULCAST SPECIAL EVENTS
For entry into the minutes, on March 3, 1999, approval was granted for the request by New York City Off-Track Betting Corporation to designate the following thoroughbred races from Santa Anita Park as special events:

Date	Race
	03/06/99 Santa Anita Handicap
	03/13/99 The San Felipe Stakes
04/03/99	Santa Anita Derby

Approval also applies to the Capital District, Catskill, Nassau, Suffolk and Western Regional Off-Track Betting Corporations.

13. BUFFALO RACEWAY SIMULCAST AGREEMENTS
For entry into the minutes, on March 9, 1999, approval was granted for the request by Buffalo Raceway to import simulcasts from Ladbroke at the Meadows in Pennsylvania, effective immediately.

The request for the importation of simulcasts for the 1999 season from Pocono Downs in Pennsylvania was deferred pending Board receipt of the federally required letters of consent. Letters from both the Pennsylvania Harness Commission and the representative harness horsemen's association at Pocono Downs are needed.

14. FINGER LAKES REQUEST TO EXPORT SIMULCAST TO MONTICELLO RACEWAY AND TO NASSAU OTB

For entry into the minutes, on March 9, 1999, approval was granted for the request by Finger Lakes to export simulcasts in-state to the Monticello Raceway and Nassau Regional OTB during the 1999 approved racing season.

15. FINGER LAKES REQUEST TO SIMULCAST \$1,000 HANDICAPPING CHALLENGE
For entry into the minutes, on March 9, 1999, approval was granted for the request by Finger Lakes to conduct a \$1,000 simulcast handicapping challenge on March 20 and 21, 1999, as outlined in the official rules and regulations.

16. FINGER LAKES REQUEST TO REDUCE ADMISSION PRICE
For entry into the minutes, on March 9, 1999, approval was granted for the request by Finger Lakes to reduce its admission price from \$3.50 to \$2.00 for entrance to either the grandstand or clubhouse.

17. MONTICELLO RACEWAY REQUEST FOR UPCOMING 1999 CALENDAR YEAR
For entry into the minutes, on March 9, 1999, approval was granted for the request by Monticello Raceway to accept simulcasts from Tampa Bay Downs in Florida, effective immediately.

18. SARATOGA HARNESS REQUEST TO SIMULCAST LIST OF RACE TRACKS/OTB
For entry into the minutes, on March 9, 1999, approval was granted for the request by Saratoga Harness to import simulcasts from Hialeah Park from March 17th through May 22nd.

Also approved was the contract with Capital OTB extending through December 31, 1999, including in-home simulcast provisions.

Also approved, on March 15, 1999, was the export of simulcasts from Saratoga Harness to The Downs (Pocono Downs in Pennsylvania and its satellites), located in a contiguous state. The approval is valid throughout the 1999 racing season at Saratoga Harness.

Also approved were the Saratoga Harness exported simulcasts to the Lakes Region Greyhound Park in New Hampshire and to the Lebanon Raceway in Ohio.

19. CAPITAL DISTRICT OTB REQUEST TO AMEND PLAN OF OPERATION

For entry into the minutes, on March 9, 1999, approval was granted for the request by Capital OTB to amend its plan of operation and appoint Mr. F. James Mumpton as the new Oneida County Director.

Approval is conditioned upon a satisfactory return of Mr. Mumpton's fingerprint card. See F-item on Agenda.

20. NEW YORK CITY OFF-TRACK BETTING REQUEST SIMULCAST RACES OF SPECIAL INTEREST

For entry into the minutes, on March 9, 1999, approval was granted for the request by New York City OTB to designate the Tampa Bay Derby to be held on Sunday, March 21, 1999, as a race of special interest, pursuant to Section 905-a of the Racing, Pari-Mutuel Wagering and Breeding Law.

This approval also applies to all New York Regional Off-Track Betting Corporations.

21. WESTERN OTB REQUEST TO AMEND PLAN OF OPERATION

For entry into the minutes, on March 9, 1999, approval was granted for the request by Western OTB to amend its plan of operation and appoint Mr. Roger E. Ruckman as the new Chautaugua County Director.

Approval is conditioned upon a satisfactory return of Mr. Ruckman's fingerprint card. See F-item on Agenda.

22. WESTERN OTB REQUEST TO RECEIVE VERNON DOWNS SIMULCAST

For entry into the minutes, on March 9, 1999, approval was granted for the request by Western OTB to receive the 1999 harness meeting from Vernon Downs.

The contract may be terminated by either party upon thirty days notice.

23. WESTERN OTB REQUEST FOR PROMOTIONAL EVENT

For entry into the minutes, on March 9, 1999, approval was granted for the request by Western OTB to conduct a free drawing on St. Patrick's Day, Wednesday, March 17, 1999.

24. NEW YORK CITY OTB AMENDMENT TO PLAN OF OPERATION

For entry into the minutes, on March 9, 1999, approval was granted for the request by New York City OTB to simulcast and accept wagers on the races

conducted by the Los Angeles Turf Club (Santa Anita) for the remainder of their 1999 Winter-Spring meeting.

25. CAPITAL OTB REQUEST TO SIMULCAST HOLYFIELD vs. LEWIS FIGHT
For entry into the minutes, on March 11, 1999, approval was granted for the request by Capital District Regional OTB to simulcast the Holyfield vs. Lewis fight on Saturday, March 13, 1999 at its 711 Central Avenue Teletheater.

26. FINGER LAKES REQUEST TO EXPORT SIMULCAST TO CAPITAL OTB
For entry into the minutes, on March 15, 1999, approval was granted for the request by Finger Lakes to export their simulcast in-state to the Capital District OTB during the 1999 Finger Lakes racing season, now consisting of 171 racing programs.

27. YONKERS RACEWAY SIMULCAST AGREEMENT WITH VERNON DOWNS AND SARATOGA
For entry into the minutes, on March 15, 1999, approval was granted for the request by Yonkers Raceway to import in-state simulcasts from Vernon Downs and Saratoga Harness.

28. YONKERS RACEWAY SIMULCAST AGREEMENT WITH PLAINRIDGE RACECOURSE
For entry into the minutes, on March 15, 1999, approval was granted for the request by Yonkers Raceway to export simulcast signal from Yonkers Raceway to Plainridge Racecourse in the contiguous State of Massachusetts during the entire Yonkers Raceway racing season.

29. NEW YORK CITY OTB REQUEST TO AMEND PLAN OF OPERATION
For entry into the minutes, on March 15, 1999, approval was granted for the request by New York City OTB to import simulcasts from Bay Meadows in California whenever applicable under the Racing Law. Approval extends through November 14, 1999.

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

1. MATTER OF SUSAN M. DUBEE
The Board approved Hearing Officer Hoblock's recommendation that Ms. Dubee receive an opportunity for a probationary license conditioned upon her compliance with Board licensing standards and rules.

2. MATTER OF MICHAEL ERB
The Board approved Hearing Officer Martin's recommendation that Mr. Erb be found guilty of violating rules 4043.2(f), 4043.4 and 4042.1(d). The Board found insufficient evidence to find Mr. Erb in violation of Rule 4042.1(f) September 1, 1998. Further, the Board adopted the Hearing Officer's recommendation that Mr. Erb's thoroughbred trainer license be suspended for two years from the date the Board acts upon this recommendation.

3. MATTER OF CARMINE IORIO
The Board approved Hearing Officer Hoblock's recommendation that, under the

circumstances, the \$100.00 penalty, as imposed by the State Steward for failing to conduct business in a proper manner at Finger Lakes Race Track is insufficient and increased the fine to \$500.

4. MATTER OF PATCHOGUE MOOSE LODGE #518

The Board approved Hearing Officer Martin's recommendation that the charitable gaming registration of the Lodge be suspended until such time as the delinquent information is provided, that the appropriate municipal governing body be notified that the Lodge is delinquent and that no charitable gaming license may be issued to the Lodge so long as the delinquency exists.

5. AUTOTOTE SYSTEMS, INC. REQUEST TO AMEND HUB SITE

The Board approved the request by Autotote Systems, Inc., dated February 8, 1999, to run Saratoga Harness remotely from its Catskill OTB hub site. Saratoga Harness would be an association of Catskill OTB, similar to the arrangement between Nassau and Suffolk OTB.

Approval is conditioned upon amendment of the contract. See F-item on Agenda.

6. FINGER LAKES REQUEST TO WITHDRAW FROM CAPITAL IMPROVEMENT FUND

The Board approved the request by Finger Lakes, letter dated February 12, 1999, to withdraw \$28,672.17 from their Capital Improvement Fund for reimbursement for various capital expenditures incurred by the track.

Approval of the Finger Lakes Racetrack CIF request consists of:

(150) Benches Refurbished	\$12,949.19	
Paving (walkway)	4,711.21	
(3) Beer keg Perlichs	4,641.15	
(2) Computers & Software Packages	4,090.61	
(6) Windows (for Pavilion)	972.27	
(4) Cordless Phones	772.74	
1984 Pick-Up Truck (Maintenance Dept.)	535.00	
	Total Approved	\$
28,672.17		

7. SARATOGA RACEWAY REQUEST TO HOST SYSCO FOOD SHOW AND HANDICAPPING CHALLENGE

The Board approved the request by Saratoga Raceway to host the Sysco Food Show on Tuesday, May 11th, wherein \$500 in "Sysco dollars" will be provided to customers and guests in conjunction with a handicapping contest, as outlined in the request dated February 22, 1999.

8. VERNON DOWNS REQUEST TO WITHDRAW FROM CAPITAL IMPROVEMENT FUND

The Board approved the request by Vernon Downs, letter dated February 12, 1999, to

withdraw \$86,330.19 from their Capital Improvement Fund for reimbursement of various capital expenditures incurred by the track, which are supported by vendor invoices, vouchers and copies of cancelled checks.

Approval of the Vernon Downs CIF request consists of:

	Roofing (Grandstand Building)	
\$52,501.15		
Computers & Printers		
(3) Computers	\$ 6,632.36	
(2) Printers	1,229.72	7,862.08
Fences		5,812.00
Oval Strip (expansion-passing lane)		5,177.66
Horse Hot Tub		5,000.00
Camera Video & Related		3,210.00
Gazebo 10'x12'		2,968.00
(3) Vacuum Cleaners (for Gold Room)	777.60	
Sewer Project		2,012.73
Electric Line		524.22
Carpeting (Horsemen Bookkeeper Office)	250.34	
Water Heater (52) Gallon		234.41
Total Approved	\$86,330.19	

9. YONKERS RACEWAY REQUEST TO WITHDRAW FROM CAPITAL IMPROVEMENT FUND
 The Board approved the request by Yonkers Raceway, letter dated December 2, 1998, to withdraw \$279,811.47 from their Capital Improvement Fund for partial reimbursement of their 1996 expenses for grandstand demolition and relocation of betting operations to the Clubhouse.

The Board approved \$216,312.29 on December 3, 1998. The current request of \$63,499.08 is the remaining balance of the request.

10. CAPITAL OFF-TRACK BETTING CORPORATION MEADOWGREENS SIMULCAST EXPERIMENT
 The Board approved, with Member Liebman abstaining, the request by Capital OTB to certify the experimental branch in Columbia County known as "Meadowgreens" as permanent. Member Liebman expressed his concern that there were no OTB employees working on the premises.

The approval extends to Meadowgreens only and any like or similar new branches or conversions must be presented to the Board for consideration before approval is granted.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. NOTICE OF PROPOSED RULE MAKING □ §5624.1 - 02-52-E
 Proposal to amend 9NYCRR §5624.1 (removal of the pre-approval requirement for the expenditure of proceeds from the conduct of games of chance by veterans' organizations) was published in the State Register on 2/17/99.

2. BUFFALO RACEWAY CONTRACT WITH MUTUEL UNIONS - 03-20-E
 Contract with the Mutuel Union SEIU, Local 235, AFL-CIO.

3. FINGER LAKES STABLE AREA EMPLOYEES HANDBOOK - 03-19-E
This booklet and the Violation Committee were formed based upon Mr. Liebman's suggestion.
4. MONTICELLO RACEWAY - POST POSITIONS □ 02-28-E
In overnight races, where there are eight horses carded, they will score the horses seven wide and have the eight horse (#9 post) score from the second tier.
5. NYRA DISTRIBUTION TO PURSES - 12-34-D
Waiting for copy of agreement to be signed by NYTHA.
6. VERNON DOWNS □ BALANCE DUE - 02-51-E
Payment to Finger Lakes from Vernon totals \$9,458.67.
7. CAPITAL OTB INCIDENT REPORT - 03-06-E
Incident Report for an incident which occurred on 2/25/99 at 711 Central Avenue, Utica, New York teletheater branch.
8. CAPITAL OTB EXTENSION OF SIMULCAST AGREEMENT - 03-09-E
Capital submitted letter agreements with Saratoga Harness and Vernon Downs to extend the existing simulcasting agreements with each track through December 31, 1999.
9. NEW YORK CITY OTB TURF PARADISE INCIDENT - 03-10-E
Report submitted regarding the incident that occurred on Saturday, February 13, 1999 with Turf Paradise. Amtote link was not established in time. Wagering was cancelled.
10. WESTERN OTB BREAK-IN - 03-11-E
Break-in on Tuesday, March 2, 1999 at 1:30 a.m. at the 714 West Ridge Road, Rochester branch. An ATM was damaged, however, no monies were taken and no one was injured.

The meeting adjourned at 3:40 p.m.