

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF OCTOBER 26, 2004

A meeting of the New York State Racing and Wagering Board was held on Tuesday, October 26, 2004 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

Erin Dahlmeyer, Secretary to the Board

Robert Feuerstein, General Counsel

Thomas Casaregola, Director of Audits & Investigations

Joseph Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Stacy Clifford, NYSR&WB

Francesca Pizzimenti, NYSR&WB

James Kellogg, NYSR&WB

Kevin Molloy, Suffolk OTB

Paul D'Onofrio, Monticello Raceway

Robert Hemsworth, Capital OTB

Kevin Abbott, Legislative Gazette

Dan Wray, New York City OTB

Bill Crowell, Hinman Straub

OPEN COMMENT PERIOD: (Open comment period started at 11:28) Kevin Molloy from Suffolk OTB submitted a statement on behalf of Suffolk OTB President Anthony F. Apollaro concerning the decision by the Board on the statutory changes made in 2003 in relation to 1017-a.2(a). A copy of the statement is attached. (Open comment period ended at 11:33)

1. PAYMENT DUE REGIONAL TRACKS MAINTENANCE OF EFFORT 1017-a.2(a)

The Board approved the payment schedules for 2003, as referenced in Section

1017-a.2(a). These schedules are based on a date to date comparison of 2003 to 2002. Furthermore, the Board directed that the OTB's make these payments to their regional tracks and provide supporting schedules no later than November 15, 2004:

New York City

Yonkers \$440,512.52

Monticello 149,952.46

\$590,464.98

Catskill

Monticello -0-

Vernon -0-

Yonkers \$ 14,133.23

\$ 14,133.23

Nassau

Yonkers \$139,113.84

Monticello -0-

\$139,113.84

Western

Buffalo \$ 66,588.21

Vernon 14,028.27

Batavia 58,841.04

Finger Lakes 15,833.16

\$155,290.68

Suffolk

Monticello \$ 4,208.21

Yonkers 46,733.70

\$50,941.91

**2. FINGER LAKES/NYRA - PAYMENTS ON OUT-OF-STATE THOROUGHBRED RACES
1017.1(b)(5)(D)& 1017.1(b)(6)(D)**

The Board, after consideration of the recommendation of staff to the Board and the submissions received, made the following determinations of issues concerning the application of Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") Section 1017:

1. As to the payments made between the New York Racing Association, Inc. ("NYRA")

and the Finger Lakes Racing Association , Inc. ("FLRA") from the date these

payments began through the present as commissions on out-of-state thoroughbred

races simulcast at each corporations' facilities, the Board determines that NYRA and

FLRA made payments to each other that are not authorized pursuant to Racing Law

Section 1017 and for which each corporation was exempted from payment pursuant to

Racing Law Section 1017.1(b)(5)(D) and 1017.1(b)(6)(D). Accordingly, the Board

orders that:

both NYRA and FLRA immediately cease and desist from making such payments to each other

both NYRA and FLRA calculate the payments that have been made to

one another since the date the above payments began and provide a full accounting to the other no later than thirty (30) days following receipt of this determination

reimbursement be made by FLRA to NYRA within ninety (90) days following receipt of this determination.

1. As to the payments required to be made by NYRA to purses and the New York State Thoroughbred Breeding and Development Fund ("Breeding Fund") from September 10, 1999 through the present, pursuant to Racing Law Section 1017.1(b)(5)(D) and 1017.1(b)(6)(D), the Board determines that NYRA was required to make payments to purses and the Breeding Fund at the same rate as the on-track rates set forth in Section 229 of the Racing Law. Accordingly, the Board orders that:

NYRA begin to apply the current and effective Racing Law Section 229 rates to the out-of-state thoroughbred races simulcast at its facilities pursuant to Racing Law Section 1017 effective upon receipt of this determination

NYRA submit to the Board within thirty (30) days following receipt of this determination, with copies to the New York Thoroughbred Horsemen's Association ("NYTHA") and the Breeding Fund, a schedule of payments reflecting the amounts paid to the purse account and the Breeding Fund based on the failure to apply the correct Section 229 rates as compared with the application of the rates that were actually used for the period from September 10, 1999 to the date of application of the correct Section 229 rates

NYRA pay to the purse account and Breeding Fund within ninety (90) days following receipt of this determination, those monies underpaid as a result of the failure to apply the correct Section 229 rates.

3. YONKERS RACEWAY TRACK LICENSE APPLICATION

The Board deferred action on the Yonkers Raceway track and simulcast license applications for 2004 pending receipt of a valid contract with the Standardbred Owners Association, Inc.

The Board assigned the racing programs through November 6, 2004 as requested in the track license application. The Board anticipates receipt of an executed contract no later than Friday, October 29th as represented by the parties. In the event that the contract is not received, the Board directs representatives of Yonkers Raceway and the Standard Owners Association, Inc. to appear in Albany before the Board on Friday, November 5th at 10:30 a.m.

4. YONKERS RACEWAY SIMULCAST LICENSE APPLICATION FOR 2004

See Board Item number 3 above.

At this time the Board took a recess at 12:33 p.m. and resumed at 12:43 p.m.

5. CAPITAL OTB REQUEST TO ADD NEW E-Z BET LOCATION □ TROY

The Board approved the request by Capital District Regional OTB to conduct wagering and display simulcasts at Valenti's Pizzeria & Pub located at 729 Pawling Avenue in Wynantskill, New York (Rensselaer County). It is understood that at this new E-Z Bet location, all wagering is self-service and initiated using cash, a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time is to be five hundred dollars (\$500).

In addition, it is expected that Capital OTB, using its own security and audit employees, will inspect Valenti's Pizzeria & 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, of any change in ownership of Valenti's Pizzeria & Pub.

The meeting was adjourned at 12:45 p.m.