

**MINUTES**  
**NEW YORK STATE RACING AND WAGERING BOARD**  
**MEETING OF JANUARY 25, 2007**

**A meeting of the New York State Racing and Wagering Board was held on Thursday, January 25, 2007 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 11:18 a.m.

**In Attendance Were:**

Daniel D. Hogan, Chairman

Michael J. Hoblock, Jr., Member

John B. Simoni, Member

John Cansdale, Executive Director

Robert Feuerstein, General Counsel

Joseph Lynch, Director of Racing Operations

Thomas Casaregola, Director of Audits & Investigations

Gail Pronti, Secretary to the Board

**Also in Attendance Were:**

Daniel Toomey, NYSR&WB

Norma Soodsma, NYSR&WB

Kristen Buckley, NYSR&WB

Vivian Davis, NYSR&WB

Michael Marr, NYSR&WB

George Casale, SOA of NY

Marvin Newberg, Monticello Raceway

Dan Wray, NYCOTB

Skip Carlson, Saratoga Gaming & Raceway

Robert Hemsworth, Capital OTB

Jim Crane, Crane Vacco

**OPEN COMMENT PERIOD:** Comments began at 11:04 a.m.

Marvin Newberg spoke on behalf of Monticello Raceway on two issues.

Mr. Newberg stated that Suffolk Regional OTB was not complying with Racing Law Section 1016(3)(b)(3) and owed \$1.2 million to Monticello Raceway. Mr. Newberg stated that the OTBs in general are not making timely payments to the tracks. He stated that New York City OTB owes Monticello Raceway over \$2 million and Western Regional OTB hasn't made a payment since October of 2006. This affects the tracks and the Horsemen as well. In November of 2006, Monticello sent a letter to the Board requesting that the Board order Suffolk OTB to pay what they owed Monticello Raceway. Mr. Newberg asked the Board once again to order Suffolk OTB to comply with the statute.

Mr. Newberg told the Board that the Tuesday "head-to-head" racing is hurting both Monticello and Yonkers. He requested that the Board not allow Yonkers to race afternoons on Tuesdays. There was some discussion that this "head-to-head" racing had been done in the past without many problems, and the Board asked what the review had produced that was requested in December from both Yonkers and Monticello. Mr. Newberg replied that both tracks' revenues were down slightly.

George Casale, Executive Director of the Standardbred Owner's Association spoke concerning two matters. He voiced agreement with Monticello Raceway's statements concerning payments delays of off-track betting corporations. Mr. Casale spoke concerning the fact that Monticello Raceway and Yonkers Raceway are conducting Tuesday afternoon programs in direct competition. He stated that no track should have exclusivity, the horse population is sufficient at this time, and that there have previously been direct night-to-night conflicts without problems.

Comments ended at 11:18 a.m.

**A.** The Board approved the minutes of the Board meetings held on December 21, 2006 and December 28, 2006.

**B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIR**

**1. BUFFALO RACEWAY – REQUEST TO CONDUCT MYSTERY VOUCHER PROMOTION**

For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved the Buffalo Raceway request to amend its plan of operation by offering a

“Mystery Voucher” promotion on the first two evenings of its 2007 season, January 19 and 20, 2007, per the submitted rules.

Buffalo Raceway was required to submit a written report within two weeks after the conclusion of the promotion, which indicated:

- the total number and denomination of vouchers printed,
- the total number and dollar amount of each denomination cashed,
- the results of the reconciliation of the coupons redeemed to the vouchers distributed, and any other findings/observations.

- 2. BUFFALO RACEWAY – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**  
For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved an amendment to the Buffalo Trotting Association, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from FR Park Racing, LP in New Jersey and Turfway Park in Kentucky for the year 2007.
- 3.** For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved the Buffalo Trotting Association, Inc. request to amend its simulcast plan of operation enabling the import of simulcast signals from Tampa Bay Downs in Florida through May 6, 2007.
- 4. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO OFFER TWO PROMOTIONS – E-ZBET-LAS VEGAS TRIP AND SUN & SNOW SHOWDOWN**  
For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an application by the Capital District Regional Off-Track Betting Corporation to conduct one handicapping contest and one promotional contest during the first quarter of 2007, in accordance with the terms specified in the application.
- 5. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO OFFER PICK SIX PROMOTIONS**  
For entry into the minutes, on January 9, 2007, the New York State Racing and Wagering Board approved an application by the Capital District Regional Off-Track Betting Corporation to conduct a pick-six promotion providing for twenty (20) winners. These twenty (20) winners will consist of ten (10) from Aqueduct Racetrack and ten (10) from Santa Anita chosen from e-mails sent to Capital OTB's TV-12.
- 6. FINGER LAKES RACETRACK – REQUEST TO OFFER PROMOTIONS**  
For entry into the minutes, on January 9, 2007, the New York State Racing and Wagering Board approved the Finger Lakes Racetrack request to conduct handicapping challenges on the Saturdays of January 20, February 17 and March 17, 2007. The final of this contest will be held on Saturday, March 31, 2007.

It is understood that the prizes for this contest, including the award of betting vouchers by random drawings will occur per the submitted rules. All winners notified by mail and a list of winners are to be made available to the general public.
- 7. FINGER LAKES RACETRACK – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**  
For entry into the minutes, on January 2, 2007, the New York State Racing and Wagering Board approved an amendment to the Finger Lakes Racing Association, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Turfway Park LLC in Kentucky for the year 2007.
- 8.** For entry into the minutes, on January 2, 2007, the New York State Racing and Wagering Board approved an amendment to the Finger Lakes Racing Association, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from The Maryland Jockey Club of Baltimore City, Inc. in Maryland through April 15, 2007 and the Los Angeles Turf Club, Inc. in California through April 22, 2007.

9. For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved an amendment to the Finger Lakes Racing Association, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Gulfstream Park Racing Association through April 22, 2007, and Philadelphia Park in Pennsylvania for the year 2007.
10. For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved an amendment to the Finger Lakes Racing Association, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races from Oaklawn Jockey Club, Inc. in Arkansas.
11. **MONTICELLO RACEWAY – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**

For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Monticello Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races from FR Park Racing, LP (Freehold Raceway) in New Jersey, Turfway Park LLC in Kentucky and Beulah Park in Ohio during 2007.
12. For entry into the minutes, on January 2, 2007, the New York State Racing and Wagering Board approved an amendment to the Monticello Raceway simulcast plan of operation enabling the import of simulcast signals from Oaklawn Jockey Club, Inc. in Arkansas during 2007.
13. For entry into the minutes, on January 2, 2007, the New York State Racing and Wagering Board approved an amendment to the Monticello Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races from The Maryland Jockey Club of Baltimore City, Inc. in Maryland through April 15, 2007, Washington Trotting Association/Mountain Laurel Racing d.b.a. The Meadows in Pennsylvania during 2007, and Northville Downs in Michigan through July 31, 2007.
14. For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation enabling the import of simulcast signals from Gulfstream Park Racing Association, Inc., in Florida through April 22, 2007.
15. For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation enabling the import of simulcast signals from Balmoral Racing Club, Inc. in Illinois, Los Angeles Turf Club, Inc. in California, NJSEA (Meadowlands/Monmouth) in New Jersey and Philadelphia Park in Pennsylvania during 2007.
16. **MONTICELLO RACEWAY – REQUEST TO EXPORT TO VARIOUS LOCATIONS IN 2007**

For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation enabling the export of simulcast signals to Attraction Hippiques in Canada for the year 2007. This approval is conditioned upon completion of the Simulcast Questionnaire.

\*\* (See Below)

17. For entry into the minutes, on January 2, 2007, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation enabling the export of simulcast signals to Canterbury Park in Minnesota during 2007.

\*\* (See Below)

18. For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved an amendment to the Monticello Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races to Arlington Park Racecourse, LLC in Illinois and PPI, Inc. in Florida during 2007.

\*\* (See Below)

**19. NASSAU REGIONAL OTB – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**

For entry into the minutes, on January 9, 2007, the New York State Racing and Wagering Board approved amendments to the simulcast plans of operation of Nassau Regional Off-Track Betting Corporation, Suffolk Regional Off-Track Betting Corporation, Western Regional Off-Track Betting Corporation, Capital District Regional Off-Track Betting Corporation and Catskill Regional Off-Track Betting Corporation, authorizing the simulcast for wagering purposes of races from Windsor Raceway, Inc. in Ontario, Canada during 2007.

**20. NEW YORK CITY OTB – REQUEST FOR APPROVAL OF NEW OWNER – ASTORIA OTB FACILITY**

For entry into the minutes, on January 2, 2007, the New York State Racing and Wagering Board approved an amendment to the New York City Off-Track Betting Corporation's plan of operation to reflect the transfer of ownership of Mary McGuire's Restaurant from 38-04 Tavern, Inc. to 38-04 Blackstone, Inc., operating as a simulcast outlet with betting.

**21. NYRA – REQUEST TO EXPORT TO VARIOUS LOCATIONS IN 2007**

For entry into the minutes, on January 5, 2007, the New York State Racing and Wagering Board approved an amendment of The New York Racing Association, Inc. simulcast plan of operation authorizing the simulcast for wagering purposes of races via TRNI Limited and TRWN Limited to William Hill Ltd., Blue Square Ltd., Little Woods Promotions Ltd, Ladbrokes E-Gaming, and Skybet as secondary recipients of the NYRA simulcast to TVG.

Approval is issued on the following conditions:

1. This simulcast is subject to existing conditions in place for simulcasts to TVG;
2. Approval is limited to the five specific sites referenced above;
3. All wagers on NYRA races accepted at/through these five sites must be commingled with the NYRA pools;
4. Approval is for a thirty (30) day period only pending further review, including the completion of required simulcast questionnaires by the recipient sites.

**22. SARATOGA GAMING & RACEWAY – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**

For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Saratoga Gaming and Raceway simulcast plan of

operation authorizing the simulcast for wagering purposes of races from FR Park Racing, LP (Freehold Raceway) in New Jersey, My Way Holdings, LLC d.b.a. Sunland Park in New Mexico through April 29, 2007, and Turfway Park LLC in Kentucky.

**23. SUFFOLK REGIONAL OTB – REQUEST TO OFFER GRAND OPENING PROMOTION – SIT N SIP INN**

For entry into the minutes, on January 2, 2007, the New York State Racing and Wagering Board approved the Suffolk Regional Off-Track Betting Corporation's promotional request to distribute two dollar (\$2.00) betting vouchers and a drawing at the Sit N Sip Inn pursuant to the rules submitted on January 27, 2007.

**24. NEVADA GOLD – TIOGA DOWNS, INC. – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**

For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Los Angeles Turf Club through April 22, 2007, and from the Pacific Racing Association AKA Golden Gate Fields in California through February 11, 2007.

25. For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Monticello Raceway in New York, Beulah Park in Ohio, and The Meadows in Pennsylvania .

26. For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Fair Grounds Race Course in Louisiana through March 25, 2007, and from Tampa Bay Downs in Florida through May 6, 2007.

27. For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Buffalo Trotting Association, Inc. in New York, FR Park Racing, LP (Freehold Raceway) in New Jersey, and Turfway Park in Kentucky for the year 2007.

28. For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved an amendment to the Tioga Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Gulfstream Park Racing Association through April 22, 2007, and Mountaineer Park, Inc. in West Virginia for the year 2007.

**29. NEVADA GOLD – VERNON DOWNS, INC. – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**

For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Los Angeles Turf Club through April 22, 2007, and from the Pacific Racing Association AKA Golden Gate Fields in California through February 11, 2007.

30. For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Monticello Raceway in New York, Beulah Park in Ohio, and The Meadows in Pennsylvania.

31. For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Fair Grounds Race Course in Louisiana through March 25, 2007, and from Tampa Bay Downs in Florida through May 6, 2007.
32. For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Buffalo Trotting Association, Inc. in New York, FR Park Racing, LP (Freehold Raceway) in New Jersey, and Turfway Park in Kentucky for the year 2007.
33. For entry into the minutes, on January 4, 2007, the New York State Racing and Wagering Board approved an amendment to the Vernon Downs simulcast plan of operation authorizing the simulcast for wagering purposes of races from Gulfstream Park Racing Association through April 22, 2007, and Mountaineer Park, Inc. in West Virginia for the year 2007.
34. **YONKERS RACEWAY – REQUEST TO IMPORT VARIOUS LOCATIONS IN 2007**  
For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Yonkers Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races from Beulah Park in Ohio for the remainder of 2006, and 2007.
35. For entry into the minutes, on January 5, 2007, the New York State Racing and Wagering Board approved an amendment to the Yonkers Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races from NJSEA (Meadowlands/Monmouth) and FR Park Racing, LP (Freehold Raceway) in New Jersey.
36. **YONKERS RACEWAY – REQUEST TO EXPORT TO VARIOUS LOCATIONS IN 2007**  
For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board approved an amendment to the Yonkers Raceway simulcast plan of operation authorizing the simulcast for wagering purposes of races to U.S. Off-Track in Oregon during 2006. This approval is conditioned upon completion of the Simulcast Questionnaire.

\*\* (See Below)

\*\* All contracts are conditioned upon the terms of the simulcast license, and all contracts are deemed amended and approval is conditioned on 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. The simulcast receiving sites and any secondary sites are prohibited from accepting account or Internet wagers from New York residents.

- c. The Board has the authority to audit the out-of-state receiving site's books and records (including all secondary sites that receive your simulcast) and must be noted in any simulcast agreement entered into for your simulcast signal. Included within the agreement must be reference that the guest shall permit inspection of the totalizator facilities at the site where guest's wagers are subject to commingling and all related totalizator books and records by a representative of the host or of the host's Board. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" totalizator books and records by a representative of the host or of the host's Board. 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. ITEMS PREVIOUSLY APPROVED, DENIED OR DEFERRED BY THE BOARD

#### 1. **MONTICELLO RACEWAY – REQUEST FOR APPROVAL OF SIMULCAST AREA RENOVATIONS**

For entry into the minutes, on January 8, 2007, pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 322, the New York State Racing and Wagering Board approved the request by Monticello Raceway for renovations to be done in their third floor simulcast area, as described in their November 3, 2006 letter.

The work approved is described in the December 21, 2006 Building Permit issued by the Code Enforcement Department of the Village of Monticello.

#### 2. **NYRA – REQUEST TO AMEND BLANKET APPROVAL OF SIMULCAST AGREEMENTS FOR 2007**

For entry into the minutes, on December 28, 2006, the New York State Racing and Wagering Board granted the December 28, 2006 request of the New York Racing Association to extend the due date for the Board of Trustees certification, as referenced in the final paragraph of the Board's December 21, 2006 letter concerning the 2007 system of "blanket approval" for simulcasts, from December 31, 2006 to January 31, 2007. The certification must be received by the Board no later than close of business on January 31, 2007.

#### 3. **SARATOGA GAMING & RACEWAY – REQUEST FOR APPROVAL TO BEGIN CONTRUCTION/RENOVATIONS ON ADMINISTRATION BUILDING**

For entry into the minutes, on December 21, 2006, pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 322, the New York State Racing and Wagering Board approved the request by Saratoga Gaming and Raceway for the construction of an addition to the administration building as described in their December 13, 2006 letter, and the relevant OGS permit.

The work approved was described in the December 11, 2006 Construction Permit issued by the New York State Office of General Services for Project No. S2185.

A letter requesting approval for any further construction (with an appropriate Construction Permit) not covered by this permit, including but not limited to the connection of the gas utility service, must be submitted to the Board. Prior approval of the Board is required prior to the commencement of any additional related construction.

**4. YONKERS RACEWAY – REQUEST FOR APPROVAL TO APPOINT PEACE OFFICERS**

For entry into the minutes, on January 8, 2007, pursuant to Section 312 of the Racing, Pari-Mutuel Wagering and Breeding Law, the New York State Racing and Wagering Board (“Board”) granted Yonkers Racing Corporation’s request to approve the appointment of the individuals listed below as special policemen within and around the grounds of Yonkers Raceway. These special policemen may exercise the powers of peace officers as authorized by and in accordance with Section 312 of the Racing, Pari-Mutuel Wagering and Breeding Law and Section 2.20 of the Criminal Procedure Law.

The grant of approval by the Board is conditioned upon the satisfactory receipt and evaluation by the Board of the federal fingerprint-based criminal history reports on the approved individuals. The Board’s approval is further conditioned upon the continuing compliance by Yonkers Raceway with any related requirements imposed by the Board, the Racing, Pari-Mutuel Wagering and Breeding Law, the Criminal Procedure Law, and any other governmental agencies with jurisdiction concerning these appointments.

The eighteen (18) individuals approved are:

Archibald, Paul  
Burguiere, Michael  
Dalton, Kenya  
Domenech, Jayson  
Figueroa, Denise  
Harswick, Allen  
Hill, Alexander  
Johnson, Benjamin  
Johnson, Reginald  
Matias, Michael  
Mattioli, Pasquale  
Morano, Joseph  
Pagan, Carlos  
Ruff, Cleavland  
Ruff, Cleavon  
Senior, Fenton  
Vigna, Michael  
Winn, Rajah

Yonkers Racing Corporation must notify the Board in writing within forty-eight (48) hours after the termination of employment of any special policeman.

**5. YONKERS RACEWAY – REQUEST FOR APPROVAL TO APPOINT PEACE OFFICERS**

For entry into the minutes, on January 9, 2007, pursuant to Section 312 of the Racing, Pari-Mutuel Wagering and Breeding Law, the New York State Racing and Wagering Board (“Board”) granted Yonkers Racing Corporation’s request to approve the appointment of the individuals listed below as special policemen within and around the grounds of Yonkers Raceway. These special policemen may exercise the powers of peace officers as authorized by and in accordance with Section 312 of the Racing, Pari-Mutuel Wagering and Breeding Law and Section 2.20 of the Criminal Procedure Law.

The grant of approval by the Board is conditioned upon the satisfactory receipt and evaluation by the Board of the federal fingerprint-based criminal history reports on the approved individuals. The Board’s approval is further conditioned upon the continuing compliance by Yonkers Raceway with any related requirements imposed by the Board, the Racing, Pari-Mutuel Wagering and Breeding Law, the Criminal Procedure Law, and any other governmental agencies with jurisdiction concerning these appointments.

The sixteen (16) individuals approved are:

Adames, Miguel  
Bracamonte, Steven  
Chisolm, Lawrence  
Darmand, George  
Dixon, Rosalia  
Fagan, John  
Folopei, Emilio  
Hawkins, Michael  
Isabella, Eugene  
Lauria, Linda  
Lee, Donald  
Lewis, Joan  
Machado, Victor  
Perone, Frank  
Simmons, Harold  
Trinidad, Carlos

The Board did not approve the appointment of Allen Holdip to the position of special policeman.

Yonkers Racing Corporation must notify the Board in writing within forty-eight (48) hours after the termination of employment of any special policeman.

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

**1. CAPITAL DISTRICT REGIONAL OTB – SIMULCAST LICENSE APPLICATION FOR 2007**

The New York State Racing and Wagering Board deferred action on the Capital District Regional Off-Track Betting Corporation's simulcast license application for 2007 pending the outcome of an ongoing investigation.

The Board will consider further action at a future Board meeting.

Capital OTB will remain operational on the continuing rights of the 2006 simulcast license. Such rights are conditioned upon 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:

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, 2007.

## **2. MONTICELLO RACEWAY – TRACK & SIMULCAST LICENSE APPLICATION FOR 2007**

The New York State Racing and Wagering Board approved the Monticello Raceway track and simulcast license applications for 2007.

The 2007 track and simulcast licenses 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. The Board has the authority to audit the out-of-state receiving site's books and records (including all secondary sites that receive your simulcast) and must be noted in any simulcast agreement entered into for your simulcast signal. Included within the agreement must be reference that the guest shall permit inspection of the totalizator facilities at the site where guest's wagers are subject to commingling and all related totalizator books and records by a representative of the host or of the host's Board. 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, 2007.

The Board assigned the remainder of the 210 racing programs requested with afternoon racing Mondays through Fridays in February, and Mondays through Thursdays in March through December as requested.

The Monticello Raceway licenses are further conditioned upon satisfactory staff suitability reviews of new entities or individuals with ownership interests and of those who participate in or influence track management.

Pursuant to Racing, Pari-Mutuel Wagering and Breeding Law Section 318 (5), the Board authorized certification to the New York State Department of Taxation and Finance that Monticello Raceway Management, Inc. has been assigned the required number of pari-mutuel programs and races at its facilities to establish eligibility for the tax rates set forth in Section 318(1) for year 2007.

### **3. SARATOGA GAMING & RACEWAY – TRACK & SIMULCAST LICENSE APPLICATIONS FOR 2007**

The New York State Racing and Wagering Board deferred action on the Saratoga Gaming and Raceway track and simulcast license applications for 2007 until such time as Saratoga Gaming and Raceway management provides further satisfactory information in response to staff inquiries. The Board assigned the racing programs requested by Saratoga Gaming and Raceway for February 2007 only.

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

Saratoga Gaming and Raceway will remain operational on the continuing rights of the 2006 track and 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. 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. The Board has the authority to audit the out-of-state receiving site's books and records (including all secondary sites that receive your simulcast) and must be noted in any simulcast agreement entered into for your simulcast signal. Included within the agreement must be reference that the guest shall permit inspection of the totalizator facilities at the site where guest's wagers are subject to commingling and all related totalizator books and records by a representative of the host or of the host's Board. 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, 2007.

**4. YONKERS RACEWAY – TRACK & SIMULCAST LICENSE APPLICATIONS FOR 2007**

The New York State Racing and Wagering Board deferred action on the Yonkers Raceway track and simulcast license applications for 2007 pending further review by Board staff. The Board assigned the racing programs requested by Yonkers Raceway for February 2007 ONLY.

The Board will consider further action at its next scheduled Board meeting.

Yonkers Raceway may 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. The Board has the authority to audit the out-of-state receiving site's books and records (including all secondary sites that receive your simulcast) and must be noted in any simulcast agreement entered into for your simulcast signal. Included within the agreement must be reference that the guest shall permit inspection of the totalizator facilities at the site where guest's wagers are subject to commingling and all related totalizator books and records by a representative of the host or of the host's Board. 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, 2007.

**5. NYRA – REQUEST TO AMEND COMPETITIVE BIDDING PROCEDURES**

The New York State Racing and Wagering Board (Board) approved six specific changes to the New York Racing Association's competitive bidding policy, and denied four requested changes.

**6. IN THE MATTER OF JOHN CUMMINGS**

The Board upheld Hearing Officer Russell H. Baller, Jr.'s recommendation that the appeal for disqualification and placement by the judges of BUTTON ROAD from fourth to seventh place in the 4<sup>th</sup> race of July 21, 2006 at Saratoga Raceway, pursuant to Board Rules 4117.4(k) and 4117.10(a)(1), be dismissed as a judgment call of the racing officials.

**7. IN THE MATTER OF ANTHONY GARRAMONE**

The Board upheld Hearing Officer Russell H. Baller, Jr.'s recommendation that the Board impose the recommended disciplinary action pursuant to the terms of the stipulation whereby the charges asserted in the original order to show cause were amended to a single charge concerning cash shortages incurred as a mutuel clerk and a specific sanction with the respondent entering a nolo contendere plea to that charge.

**8. CERTIFICATION OF YEAR 2006 RACING DATES/RACES FOR TAX RATE PURPOSES FOR TAX & FINANCE**

The New York State Racing and Wagering Board hereby certifies pursuant to Section 228 (3)(b)(ii) and Section 318 (5)(b)(ii) of the Racing, Pari-Mutuel Wagering and Breeding Law that Finger Lakes Racetrack, Monticello Raceway and Saratoga Gaming and Raceway conducted during the year 2006 at least 90% of programs/races in 1985 or 1986 (whichever year had the fewer).

For 2006, the Board found that for Batavia Downs, Buffalo Raceway, Vernon Downs and Yonkers Raceway, it would have been uneconomical or impractical for these corporations to be assigned the prescribed number of racing dates, pursuant to Section 318(5)(b)(ii). Therefore, such finding entitles this harness racetrack to be classified as if it did comply with such requirements.

Accordingly, the Board certifies that Finger Lakes, Batavia Downs, Buffalo Raceway, Monticello Raceway, Saratoga Harness, Vernon Downs, and Yonkers Raceway have complied with either Section 228(3)(b)(ii) or Section 318(5)(b)(ii) of the Racing, Pari-Mutuel Wagering and Breeding Law for the purpose of establishing the 2006 pari-mutuel tax rate. (The Syracuse Mile did not race in 2006.)

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

**1. SAS 70 TYPE II AUDIT REPORTS OF TOTALIZATOR SYSTEMS**

Board staff conducted a review and analysis of the internal controls and oversight of the various totalizator systems (wagering systems) in operation at New York pari-mutuel wagering

facilities. This ongoing review received increased priority after the Breeder's Cup Pick Six case that occurred in the fall of 2002. The result was the development of a regulatory structure that included among other things, audits of the totalizator systems. The Board included, as a condition of licensure for 2006 the SAS 70 Type II report described above.

**2. NEW YORK CITY OTB – ANALYSIS OF FINANCIAL PROJECTIONS FOR 2007**

At the October 27, 2006 meeting the Board directed New York City Off-Track Betting Corporation (NYCOTBC) to submit its financial plans regarding its ability to meet its statutory obligations for 2007. The plan was to be submitted no later than December 15, 2006 and was to include proposed legislation that would positively affect NYCOTB's finances as well as a financial plan on what measures would be employed if no legislation were enacted.

The cash flow forecast that was provided was primarily based on the assumption that no legislative changes will occur and that NYCOTB will continue to manage its cash flow by timing (delaying) various industry and general obligation payments. NYCOTB also indicated that they plan to maintain the same staffing levels through out the year and that they anticipate having to defer surcharge monies to New York City. Industry payables are expected to remain at approximately the same level as they did throughout 2006.

The cash-forecasting plan submitted projects a cash surplus should the legislative plan be adopted in its entirety.

**3. LICENSING – CURRENT LICENSE COUNT**

The current racing licensing counts as of December 31, 2006 since January 1, 2006 are as follows: total receipts 16,320 and total licenses 12,676 for the year 2006.

**4. 2006 LICENSED SUPPLIERS**

There were no Bingo and/or Games of Chance licenses for the period of December 1, 2006 through December 31, 2006.

**5. GAMES OF CHANCE/BELL JAR TICKETS**

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between December 1, 2006 – December 31, 2006.

**6. GAMES OF CHANCE/BINGO REGISTRATION NUMBERS**

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between December 6, 2006 – January 9, 2006.

**7. INDIAN GAMING - LICENSING STATISTICS**

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

**8. NYRA – RETRACTION OF BLANKET APPROVAL OF SIMULCAST AGREEMENTS FOR 2007**

NYRA has retracted (effective 12:00 a.m. February 1, 2007) its November 26, 2006 request to the Board for blanket approval of NYRA's 2007 simulcast agreements. The Board had approved a system for 2007, as authorized by the letter dated December 21, 2006 and the relevant Board item.

NYRA requested expedited Board approval of the individual export and import agreements.

**F. FOLLOW-UP ON ITEMS PREVIOUSLY APPROVED**

None.

Meeting adjourned at 11:57 a.m.