

**MINUTES
NEW YORK STATE RACING AND WAGERING BOARD
MEETING OF JUNE 18, 2004**

A meeting of the New York State Racing and Wagering Board was held on Thursday, June 18, 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 11:55 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

Fred Martin, Attorney representing Yonkers Raceway

Robert Galterio, Yonkers Raceway

Joe Faraldo, SOA

George Casale, SOA

Tom Precious, Buffalo News/Blood Horse

Paul D'Onofrio, Monticello Raceway

OPEN COMMENT PERIOD: Started 11:31 a.m. Fred Martin, Attorney for Yonkers Raceway, requested the issuance of the Yonkers 2004 track and simulcast licenses. He stated there will be no simulcasting, no OTB payments, no VLT's and the \$180 million financing agreement will not be available if they are not granted the license. Yonkers is not sure when

the construction of the VLTs will begin. Mr. Martin also stated if there is racing while the VLTs are being built, it would slow down construction. Joe Faraldo, Attorney for the SOA stated they have legitimate concerns for the horsemen and the \$2.4 million in unpaid purse money. Mr. Faraldo suggested a conditional license and the \$2.4 million be put in escrow by July 1st, much like Batavia in 1998. Robert Galterio, General Manager at Yonkers, responded to the question of the \$2.4 million in owed purse monies and requested the Board approve the license through the end of the year 2004. The public comment period ended at 11:55 a.m.

Board meeting began at 11:55 a.m.

A recess was taken at 12:21 p.m. and the meeting resumed at 2:20 p.m. Items D-8 and D-9 were considered after the recess.

A. The Board approved the minutes of the Board meeting held on May 19, 2004.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. FINGER LAKES REQUEST TO CONDUCT PROMOTIONS

For entry into the minutes, on May 19, 2004, approval was granted for the request by Finger Lakes to conduct handicapping challenges to be conducted on May 22nd, June 19th and July 24th with the finals on August 21st. There is no entry fee. All winners will be notified by mail and a list of winners must be made available to the general public.

Also approved are the Finger Lakes Lunch Run with a two dollar voucher giveaway and the Run for the Lilacs-Mercy Flight Central race day promotions that includes net wagering proceeds from the designated Mercy Flight Central named race to be donated to the organization. Further approved are the "Cash Cube" promotions on the submitted dates and per the submitted rules.

The promotions as presented for "Senior Days", "Belmont Stakes Glass Giveaway", "Cooler" giveaways and Kentucky Derby merchandise giveaways are acknowledged and do not require the approval of the Racing and Wagering Board.

2. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on May 19, 2004, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the export of simulcasts to the New Jersey Sports and Exhibition Authority-operated racetracks of The Meadowlands and Monmouth Park.

* For entry into the minutes, on June 11, 2004, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of simulcasts from the thoroughbred racetracks known as Suffolk Downs in Massachusetts and the Del Mar Race Course in California. Also approved are the agreements with the harness racetracks at Rockingham Park in New Hampshire and Harrington Raceway in Delaware.

These approvals are effective immediately and all simulcasts may be utilized when in accordance with the Racing Law.

3. CAPITAL OTB REQUEST TO OFFER CONTEST

For entry into the minutes, on May 19, 2004, approval was granted for the request by Capital Regional OTB, dated May 12, 2004, to conduct a "paid-in" handicapping contest at the Albany Teletheater on June 26th and 27th per all submitted rules. Section 908 of the Racing Law stipulates that at least half of the races used in an approved handicap contest must emanate from a New York State racetrack.

Also approved is the awarding of a two hundred dollar (\$200) wagering voucher to the point leader after the first day (Saturday) that is awarded along with the Saratoga box seats, admission and programs.

4. NEW YORK CITY OTB REQUEST TO OFFER PROMOTION

For entry into the minutes, on May 19, 2004, approval was granted for the request by New York City OTB to conduct a sweepstakes drawing entitled "Belmont Stakes Sweepstakes" as per the submitted rules.

The Board reserves the right to audit all promotional contests conducted by its licensees.

5. FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on May 24, 2004, approval was granted for the request by Finger Lakes to amend its simulcast plan of operation enabling the export of simulcasts to Wyoming Downs OTB and PonyUpBet in Wyoming during the remainder of the 2004 Finger Lakes live racing season.

6. NASSAU OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on May 24, 2004, approval was granted for the request by Nassau Regional OTB, dated May 13th & 14th, to amend its simulcast plan of operation enabling the import of simulcasts from Colonial Downs in Virginia. Also approved is the request to import simulcasts from Ruidoso Downs in New Mexico.

The approvals to import Colonial Downs and Ruidoso Downs during their 2004 race meetings also applies to Suffolk Regional OTB. These simulcasts may be imported and utilized for wagering whenever in accordance with the Racing Law.

* For entry into the minutes, on May 24, 2004, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from Harrington Raceway in Delaware during the 2004 race meeting.

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

* For entry into the minutes, on May 28, 2004, approval was granted for the request by Nassau OTB to amend its simulcast plan of operation to import simulcasts from the thoroughbred tracks known as Monmouth Park in Oceanport, New Jersey and from Louisiana Downs located in Bossier City in the State of Louisiana.

This approval further extends to Suffolk Regional OTB.

* For entry into the minutes, on June 4, 2004, approval was granted for the request by Nassau Regional OTB, dated May 27, 2004, to amend its simulcast plan of operation enabling the import of simulcasts from Canterbury Park in Minnesota during their 2004 race meeting.

This approval to import Canterbury Park also applies to Suffolk Regional OTB. These simulcasts may be imported and utilized whenever in accordance with the Racing Law.

7. BUFFALO RACEWAY REQUEST TO AMEND RACING LICENSE

For entry into the minutes, on May 28, 2004, approval was granted for the request by Buffalo Raceway to amend its plan of operation for the cancellation of the scheduled and approved Thursday racing dates in the months of June and July 2004. Included among the cancelled dates are the Thursdays of June 3rd, 10th, 17th & 24th along with July 1st, 8th, 15th, 22nd & 29th.

Also approved is the request to change the first race post time on Saturdays to 7:30 p.m., conduct up to 12 races on Wednesday and Friday nights with up to 14 races on Saturday nights and to add two new wagers. The added wagers would be a "Pick-Four" bet on the final four races of the nightly program and a "Superfecta" wager on the final race each evening. This approval is effective immediately.

8. VERNON DOWNS REQUEST TO CHANGE POST TIMES

For entry into the minutes, on May 28, 2004, approval was granted for the request by Vernon Downs to amend its plan of operation enabling a change in the first race post time for Saturday, June 5th to 7:00 p.m.

9. VERNON DOWNS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on May 28, 2004, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of simulcasts from Ocean Downs in Maryland.

This approval is valid for the entire year 2004 racing season at the Ocean Downs harness racetrack.

* For entry into the minutes, on June 9, 2004, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of the year 2004 harness simulcasts from The Red Mile in Lexington, Kentucky.

10. NYRA REQUEST TO OFFER PROMOTION

For entry into the minutes, on June 1, 2004, approval was granted for the request by NYRA to conduct the 2004 Saratoga Race Course Sudden Death Internet handicapping contest, Wednesday, July 28th through Monday, September 6th.

There will be a ten dollar (\$10) entry fee per contestant and all paid entry fees will be returned to the winners as outlined in the submitted rules.

11. NYRA REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2004

For entry into the minutes, on June 2, 2004, approval was granted for the request by the New York Racing Association for the addition of new simulcast sites in South Dakota. The two new sites are known as The Sports Center located at 108 Military Road in North Sioux City and the Time Out Lounge located at 615 East North Street in Rapid City.

Both sites are operated by AmWest Entertainment, LLC. This approval is effective immediately.

12. REQUEST FOR EXTENSION OF APPRENTICE JOCKEY ALLOWANCE - BAZE

For entry into the minutes, on June 2, 2004, approval was granted for the request for an extension of the qualified apprentice year of jockey Michael Baze of an additional 118 days.

Mr. Baze's date of record for the expiration of his apprenticeship allowance is now Saturday, October 16, 2004.

13. REQUEST FOR EXTENSION OF APPRENTICE JOCKEY ALLOWANCE - THORNTON

For entry into the minutes, on June 2, 2004, approval was granted for the request for an extension of the qualified apprentice year of jockey Timothy Thornton of an additional 8 days.

Mr. Thornton's date of record for the expiration of his apprenticeship allowance is now Saturday, July 16, 2004.

14. FINGER LAKES REQUEST TO OFFER PROMOTION

For entry into the minutes, on June 4, 2004, approval was granted for the request by Finger Lakes to award fifty two-dollar (\$2) win tickets on SMARTY JONES, a horse that will be competing in the Belmont Stakes on June 5th.

There will also be drawings for T-shirts, golf shirts, jackets, etc. It is understood that the customer is under no financial obligation to enter this free drawing.

15. BUFFALO RACEWAY REQUEST TO AMEND RACING LICENSE

For entry into the minutes, on June 15, 2004, approval was granted for the request by Buffalo Raceway to amend its license application with the addition of eleven (11) racing dates to its 2004 schedule.

The dates consist of a matinee card at 1:05 p.m. on Sunday, August 1st and on Friday-Saturday nights beginning at 7:20 p.m. on September 10th □ 11th, September 17th □ 18th, September 24th □ 25th, October 1st □ 2nd, and October 8th □ 9th. The final date of the 2004 racing season will now be on Saturday, October 9, 2004.

16. MONTICELLO RACEWAY REQUEST TO AMEND RACING LICENSE

For entry into the minutes, on June 15, 2004, approval was granted for the request by Monticello Raceway to amend its plan of operation by changing the first post time on Saturday, July 3, 2004 to 1:10 p.m.

17. WESTERN OTB REQUEST TO OFFER HANDICAPPING CONTEST

For entry into the minutes, on June 16, 2004, approval was granted for the request by Western Regional OTB to conduct promotions allowing for handicapping contests to be conducted at specific branches.

The contest will be conducted at the Phoenix branch on June 16th, the Olean branch on June 17th, and at the Jamestown branch on June 30th per the submitted rules.

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

1. NYRA REQUEST TO CONDUCT WAGERING - BELMONT

For entry into the minutes, on June 1, 2004, the Board approved the request by NYRA to conduct superfecta wagering on the eleventh race on Saturday, June 5, 2004, The Belmont Stakes, provided there be seven (7) or more separate wagering interests leaving the paddock and entering the racetrack for pre-race warm-ups.

Should there be any late scratches off the racetrack or at the gate, including a post race gate refund authorized by the stewards for The Belmont Stakes, superfecta wagering may be maintained and no refunds will be required with the exception of the stewards declaring The Belmont Stakes a "no contest".

2. GALVIN v. HOBLOCK □ SETTLEMENT IMPLEMENTATION

For entry into the minutes, on June 16, 2004, approval was granted for an Amended Final Order consistent with the Stipulation of Settlement.

By Stipulation of Settlement and Order of Dismissal "so ordered" by the Court on June 2, 2004, the legal action has been dismissed with prejudice. The parties will each bear their own costs, expenses and attorney's fees. The Board's Amended Final Order will result in a \$250 fine for the record-keeping violation related to the March 27, 1998 incident.

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

1. IN THE MATTER OF RONALD BEBACK, JR.

The Board approved Hearing Officer Baller's recommendation that the decision of the judges at Vernon Downs, which suspended Mr. Beback's driving license for eight (8) days for violation of Board Rule 4117.4(b) while driving the horse RAGING CAJUN in the second race on November 20, 2003, be upheld.

2. IN THE MATTER OF JOHN DAVILA

The Board approved Hearing Officer Baller's recommendation to uphold the suspension of Mr. Davila's license for ten (10) days for causing interference during the first race on November 9, 2003. However, the Board modified the penalty to increase the suspension to fifteen (15) days based upon the circumstances of the situation, need for deterrence and the failure of John Davila to appear at the hearing to offer an explanation of his actions.

3. IN THE MATTER OF MICHAEL FERRARO

The Board approved Hearing Officer Baller's recommendation that the imposition of a \$250 fine by the State Steward at Finger Lakes Race Track for the running of a horse, trained by Mr. Ferraro in the seventh race on November 25, 2003, which was not tattooed, in violation of Board Rule 4024.1(b)(1), be upheld.

4. IN THE MATTER OF PHILIPPE LAFRAMBOISE

The Board approved Hearing Officer Baller's recommendation that the suspension of Mr. Laframboise's license for fifteen (15) days based upon a charge of driving with indifference while driving the horse C R BYRD in the 8th race on August 30, 2003, in violation of Board Rule 4117.4(p), be upheld.

5. IN THE MATTER OF PETER MURPHY

The Board approved Hearing Officer Baller's recommendation that the decision of the judges at Saratoga Raceway to scratch the horse PAGAENT HALL from the seventh race of January 23, 2004 because the horse did not meet the qualifying time standards for the race, be upheld.

6. IN THE MATTER OF GABRIEL SUAREZ

The Board approved Hearing Officer Baller's recommendation that the decision of the State Steward at Finger Lakes Race Track, which suspended Mr. Suarez's license for ten (10) days for causing interference during the first race on November 15, 2003 in violation of Board Rule 4035.2, be upheld.

7. SYRACUSE MILE TRACK LICENSE APPLICATION FOR 2004

The Board approved the Syracuse Mile, Inc. track license application for 2004. The Board assigned the 3 programs requested for August 13th, 14th and 15th.

The 2004 track license is conditioned upon compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and regulations, and the requirements set forth in the track license application. The approval is also conditioned upon receipt of the Pari-Mutuel Bond before racing begins on August 13th.

8. YONKERS RACEWAY TRACK LICENSE APPLICATION FOR 2004

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 for the month of July 2004 as requested. The Board will consider further action at the next Board meeting.

9. YONKERS RACEWAY SIMULCAST LICENSE APPLICATION FOR 2004

See Board item number eight above.

10. CAPITAL OTB REQUEST TO ADD NEW CONCESSIONAIRE □ PLATTSBURGH

The Board approved the plan of operation amendment for the appointment of Christine Ann Trombley as the concessionaire at the Capital District Regional OTB facility located at the Skyway Plaza in Plattsburgh.

11. NASSAU OTB REQUEST TO APPOINT NEW BOARD OF DIRECTOR - GALLEGO

The Board approved the appointment of Mr. Anthony Gallego as a new member of the Board of Directors at Nassau Regional OTB.

The approval is conditioned upon a satisfactory return of Mr. Gallego's federal print report.

12. WESTERN OTB REQUEST TO APPOINT NEW BOARD OF DIRECTOR - LATTIMORE

The Board approved the appointment of Mr. Paul W. Lattimore, Jr. to the Western Regional OTB Board of Directors. Mr. Lattimore, Jr. will be representing the County of Cayuga on the Western OTB board.

The approval is conditioned upon a satisfactory return of Mr. Lattimore's federal print report.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. GAMES OF CHANCE BINGO REGISTRATION NUMBERS JUNE

06/04-08-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between May 12, 2004 June 4, 2004.

2. GAMES OF CHANCE BELL JAR TICKETS JUNE 06/04-09-E

List of bell jar ticket authorized/denied by the Charitable Gaming Unit between

May 12, 2004 June 4, 2004.

3. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS - JUNE

06/04-07-E

List of manufacturers/suppliers licensed by the Charitable Gaming Unit, between April 16, 2004 June 4, 2004.

4. INDIAN GAMING - LICENSING STATISTICS FOR MAY 2004 06/04-01-E

Licensing statistics for May 1, 2004 through May 31, 2004. Also included are the certifications for Turning Stone, Akwesasne, Seneca Niagara and Seneca Allegany.

5. LICENSING CURRENT RACING LICENSING COUNT AS OF JUNE 2004 -

06/04-10-E

The current racing licensing counts as of June 8, 2004 are as follows: total receipts 6520 and total licenses 3968.

6. STATE REGISTER THOROUGHBRED TRIFECTA RULE 4011.22 08/03-30-E

On April 30, 2004 the Board amended Rule 4011.22(i) by emergency rulemaking in order to permit the conduct of trifecta wagering in thoroughbred stakes races, handicap races or allowance races in situations where there are five betting entries. The amendment to Rule 4011.22(i) became effective on April 30, 2004 upon filing with the Department of State. It will be effective for ninety (90) days through July 28, 2004. A copy was published in the May 19, 2004 *NYS Register*.

7. STATE REGISTER ERYTHROPOIETIN, DARBEPOIETIN, RESERPINE AND FLUPHENAZINE 10/03-18-E

On April 30, 2004 the Board amended Sections 4043.6, 4043.7, 4038.18, 4120.10, 4120.11, 4109.7 and 4113.3 by emergency rulemaking in relation to the testing of horses for erythropoietin, darbepoietin, reserpine and fluphenazine, as well as the consequences of positive tests. These amendments became effective on April 30, 2004 upon filing with the Department of State. They will be effective for ninety (90) days through July 28, 2004. A copy was published in the May 19, 2004 *NYS Register*.

8. STATE REGISTER TO IMPLEMENT RECIPROCAL OCCUPATIONAL LICENSING OF VIDEO LOTTERY GAMING EMPLOYEES 01/04-22-E

On April 23, 2004 the Board amended Rules 4002.1 and 4101.24 by emergency rulemaking in order to provide for the occupational licensing of video lottery gaming employees. The amendments became effective on April 23, 2004 upon filing with the Department of State. It will be effective for ninety (90) days through July 21, 2004. A copy was published in the May 12, 2004 *NYS Register*.

The meeting was adjourned at 2:22 p.m.