

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF JUNE 16, 2005

A meeting of the New York State Racing and Wagering Board was held on Thursday, June 16, 2005 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 11:32 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

John Cansdale, Executive Director

Gail Pronti, Secretary to the Board

Robert Feuerstein, General Counsel

Joseph Lynch, Chief of Racing Operations

James Kellogg, Audits and Investigations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Vivian Davis, NYSR&WB

Stacy Clifford, NYSR&WB

Paul D' Onofrio, Monticello Raceway

Kevin Molloy, Suffolk OTB

Peter Goold

Giorgio DeRosa, BSJI

Bill Crowell, Hinman Straub

OPEN COMMENT PERIOD: No comments were made.

A. The Board approved the minutes of the Board meeting held on May 18, 2005, and the amended minutes of the meeting held on April 13, 2005.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. NYRA REQUEST TO OFFER HANDICAPPING CHALLENGE - BELMONT

For entry into the minutes, on May 17, 2005, approval was granted for the request by NYRA to conduct a handicapping tournament at Belmont Park on Saturday, July 9th and Sunday, July 10, 2005.

This handicapping tournament is to be conducted within the rules as submitted to the Board.

2. CATSKILL OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on May 17, 2005, approval was granted for the request by Catskill Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from Scioto Downs in Ohio.

This approval further extends to Capital District and Western Regional OTB. The Scioto Downs simulcasts may be imported and utilized whenever in accordance with the Racing Law.

3. **NEW YORK CITY OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005**

For entry into the minutes, on May 17, 2005, approval was granted for the request by New York City OTB to amend its simulcast plan of operation enabling the import of simulcasts from the New Jersey Sports and Exhibition Authority race tracks known as Monmouth Park and The Meadowlands.

These approvals extend in a like manner to Capital District, Catskill, Nassau, Suffolk and Western Regional OTB. These simulcasts may be imported and utilized whenever in accordance with the Racing Law.

- * For entry into the minutes, on June 10, 2005, approval was granted for the request by New York City OTB to amend its simulcast plan of operation enabling the import of simulcasts from the thoroughbred racetrack known as Hastings Park Racecourse located in Vancouver, British Columbia, Canada. This approval is valid through October 31, 2005 to coincide with the expiration date of the agreement submitted to the Board.

This simulcast may be utilized whenever in accordance with the Racing Law.

4. **SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005**

For entry into the minutes, on May 17, 2005, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of simulcasts from Suffolk Downs in Massachusetts and from Louisiana Downs in Bossier City, Louisiana.

Also approved is the request to export the Saratoga Raceway simulcast signal to Raceway Park in Ohio through the year 2005 racing season.

5. **NYRA REQUEST TO AMEND LIST OF RACING OFFICIALS – LIBERO & THEROUX**

For entry into the minutes, on May 19, 2005, approval was granted for the request by NYRA for Gilda Libero and Ralph Theroux to become Category I racing officials. As Category I racing officials they will perform duties as placing/patrol judges at the New York Racing Association tracks for the year 2005 racing seasons.

This approval is in compliance with Board Rule 4005.1.

6. **CAPITAL OTB REQUEST TO OFFER HANDICAPPING CONTEST**

For entry into the minutes, on May 19, 2005, approval was granted for the request by Capital OTB to conduct a “ paid-in” handicapping contest at the Albany Teletheater on June 25th and 26th per all submitted rules.

Section 908 of the Racing Law stipulates that at least half of the races used in an approved handicapping contest must emanate from a New York State track. Also acknowledged is the awarding of a one hundred dollar (\$100) food/beverage voucher for redemption at the Albany Teletheater to the point leader after the first day (Saturday) that is awarded along with the one-day Saratoga Racecourse admission, box seats and programs.

7. **SUFFOLK OTB REQUEST TO OFFER HANDICAPPING CONTEST**

For entry into the minutes, on May 19, 2005, approval was granted for the request by Suffolk Regional OTB to conduct a thoroughbred handicapping contest per the rules listed on the application, dated May 12, 2005.

This approval is for the handicapping contest to be conducted at The Racing Forum on Saturday, June 25, 2005.

8. **YONKERS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005**

For entry into the minutes, on May 19, 2005, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the import of the Ocean Downs harness simulcast from Maryland.

This approval is valid throughout the entire year 2005 Ocean Downs race meeting.

- * For entry into the minutes, on June 2, 2005, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the export of the harness simulcast signals for the remainder of the year 2005 Yonkers Raceway race meeting to the Meadowlands in the contiguous State of New Jersey.

9. **FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005**

For entry into the minutes, on May 25, 2005, approval was granted for the request by Finger Lakes to amend its simulcast plan of operation enabling the import of simulcasts on the year 2005 New Jersey Sports and Exhibition Authority operated race tracks of The Meadowlands and Monmouth Park.

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

10. **NASSAU OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005**

For entry into the minutes, on May 27, 2005, approval was granted for the request by Nassau Regional OTB to amend its plan of operation enabling the import of simulcasts from Colonial Downs in Virginia during their 2005 race meeting.

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

- * For entry into the minutes, on June 7, 2005, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from Canterbury Park in Minnesota during their 2005 race meeting.

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

11. **NYRA REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005**

For entry into the minutes, on June 2, 2005, approval was granted for the request by the New York Racing Association for the addition of a new simulcast site in Idaho known as Gem County Fair located at 2199 South Johns Avenue in Emmett, ID.

This approval is effective immediately.

- * For entry into the minutes, on June 10, 2005, approval was granted for the request by NYRA to amend its simulcast plan of operation enabling a new international export of NYRA simulcasts to areas under the MEC Magna Racino Veranstaltungen GMBH and the associated off-track locations as listed in the filed agreement of January 12, 2005.

12. **MONTICELLO RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005**

For entry into the minutes, on June 7, 2005, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts from a harness racetrack in Maryland known as Ocean Downs and from the Delaware County Fair in Ohio during their year 2005 race meetings. These approvals may be utilized whenever in compliance with the Racing Law.

The Board also acknowledges the addendum to the Monticello Raceway/Connecticut OTB current contract for the addition of John Martin' s Manor OTB. John Martin' s Manor changed its hub from Suffolk Downs to Autotote Enterprises.

The addendum to the Racing Channel, Inc. approved contract providing for the distribution of U.S. racing (Monticello Raceway simulcasts) into the South American market cannot be addressed at this time due to the lack of information as to the locations

of downlink sites and assurances in writing that these downlink sites are locally approved by their regulators.

13. **MONTICELLO RACEWAY REQUEST FOR ADDITIONAL RACES**

For entry into the minutes, on June 7, 2005, approval was granted for the request by Monticello Raceway to amend its plan of operation by adding a thirteenth race on Mondays and Tuesdays to its plan of operation that has recently allowed for twelve pari-mutuel races on its daily program of harness racing. **This approval is for the month of June only.**

Should the Board encounter difficulty in maintaining its present level of drug sample collection, the management of Monticello Raceway will be notified by the Board's assigned Presiding Judge. If such notification occurs, Monticello Raceway management must realign its number of minutes between races to a minimum of twenty minutes. If this does not solve the problem, an earlier first race post-time with more than 20 minutes between races must be instituted.

14. **SARATOGA HARNESS REQUEST FOR ADDITIONAL RACES DATES**

For entry into the minutes, on June 7, 2005, approval was granted for the request by Saratoga Harness to amend its plan of operation enabling the addition of race dates on Tuesdays beginning June 14th.

This approval is for the additional race dates of June 14th, June 21st and June 28th only.

15. **BATAVIA DOWNS REQUEST TO CONDUCT PROMOTION**

For entry into the minutes, on June 10, 2005, approval was granted for the request by Western Regional OTB to amend its plan of operation allowing for the distribution of \$2,000 total value in wagering vouchers to be distributed at random at Batavia Downs per the submitted request dated June 8, 2005.

16. **BUFFALO RACEWAY REQUEST TO OFFER PROMOTION**

For entry into the minutes, on June 10, 2005, approval was granted for the request by Buffalo Raceway to amend its plan of operation by offering a promotional fee-based handicapping contest on Saturday evening, June 18, 2005.

The contest will be entitled “ The Buffalo Raceway Harness Handicapping Contest.” This contest will be administered with prizes awarded to the top four finishers in accordance with the rules as submitted to the Racing and Wagering Board.

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

1. PROPOSED RULEMAKING-PROPOSITION WAGERING – 4011.25 & 4122.47

For entry into the minutes, on May 17, 2005, the Board approved the emergency adoption of new rules (Section 4011.25 and 4122.47) to implement proposition wagering. The rules include the prohibition of the offer of any betting interests with the same owner and trainer in any instance.

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

1. IN THE MATTER OF FREDRIK HAAVIND

The Board approved Hearing Officer Britell’ s recommendation that the license refusal be upheld without prejudice to Mr. Haavind's reapplication upon satisfactory evidence of rehabilitation and clear test in the Board's testing system. Mr. Haavind does not have to wait for his birth date to reapply.

2. PROPOSED RULEMAKING – MEDICATION RULES FOR THOROUGHBRED AND HARNESS RACING– 4043.2 & 4120.2

The Board approved the recommended proposal of amendments to the thoroughbred and harness equine drug rules. The proposed amendments supersede the previously proposed August 2004 amendments with certain exceptions, including:

The 24-hour category for non-steroidal medication use has been reduced from three permitted drugs to two with the reclassification of ketoprofen. The remaining drugs in this category of 24-hour usage of non-steroidal anti-inflammatory medications are phenylbutazone and flunixin.

The drug known as “ ketoprofen” that was approved in August of 2004 by the Board to be in the 24-hour category will now be placed in the 48-hour category.

The amount of furosemide to be used for horses enrolled in the furosemide program and administered on raceday will now range from 3ccs to 10ccs. Prior to this revision the range was 5ccs to 10ccs.

The proposed admendments will be submitted to the Governor’ s Office of Regulatory Reform for review.

3. EMERGENCY RULEMAKING – 3CCs MINIMUM FUROSEMIDE

DOSAGE – 4043.2 & 4120.2

The Board approved the request for emergency rulemaking and adopted amendments to Rules 4043.2 (b) & 4120.2 (b) pertaining to the adjustment of the required minimum Furosemide dosage administered on race day from 5ccs - 10ccs to 3ccs - 10ccs.

4. STATE REGISTER – FIVE YEAR RULE REVIEW

The Board approved continuation of the following Rules adopted in 2000:

- 1) §5608.4 – amended bell jar ticket regulation by allowing manufacturers of bell jar tickets to submit samples or artist’ s rendering of bell jar tickets, payout cards and flares.
- 2) §5600.1, 5602.1, 5603.7, 5607.13, 5611.1, 5611.2, 5623.1, 5814.6, 5815.11 and Parts 5608, 5620, 5622, 5624 and 5820 – relevant to operation, licensing, conduct and enforcement of games of chance and bingo.

These Rules were published for public comment on February 1, 2005.

5. MONTICELLO RACEWAY REQUEST TO WITHDRAW

FROM CIF - \$97,240.01

The Board approved the request by Monticello Raceway to withdraw \$97,240.01 from its Capital Improvement Fund (CIF) for reimbursement of capital improvement purchases and improvements.

Written explanations were provided for non-budgeted items. This request is for items purchased in 2004 therefore the procedures for non-budgeted items for 2004 have been applied. The revised 2005 procedures for non-budgeted items will be applied to reimbursement requests for 2005 expenditures.

Backstretch (75%)

New transmission for 95 Ford F-150	\$ 1,454.25
2300’ board Fence	56,580.00
Supplies, New Guard Booth, Barn M repairs	5,135.67
3 Push Mowers for Barn Area	431.60
Back Pack Blower	422.66
2 New water heaters for working paddock	<u>526.46</u>
Total Backstretch Items	<u>\$ 64,550.64</u>

Other (25%)

6 new flame failure for Rooftop Heaters	3,993.00
Betting Booth on Apron	2,608.00
Husqvrna 72" width mower	8,949.89
2 walk behind trimmers,48" mower	3,935.94
Grandstand Re-roofing	13,000.00
Router & Bits	202.54

Total Other Items **\$32,689.37**

Total Approved **\$97,240.01**

6. MONTICELLO RACEWAY TRACK LICENSE APPLICATION FOR 2005

On June 16, 2005, the New York State Racing and Wagering Board deferred action on the Monticello Raceway track and simulcast license applications for 2005 pending receipt of a fully executed horsemen' s agreement, a review of " shareholder suitability" and corporate structure/financing. The Board assigned the racing programs requested for the month of July 2005 with 12 races as a maximum. The Board approved the cancellation of racing on July 2nd and approved the new post time on July 4th of 5:00 p.m.

The Board directed representatives of Monticello Raceway management and the Monticello Harness Horsemen' s Association, Inc. to attend the July Board meeting in order to provide reasons why the track and simulcast applications should not be denied in the absence of a horsemen' s agreement.

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

Monticello Raceway may remain operational on the continuing rights of the 2004 track and simulcast license. However, continuing 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. All contracts for sites to receive New York simulcasts must provide that such receiving sites not rebate *in cash* on New York races.
 - b. 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.
 - 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" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.
 - d. 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.
- 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, 2005.

- The name, address, social security number and date of birth must be obtained from each individual who opens a wagering account (i.e. temporary wagering account, day account, telephone wagering account, etc.) and the account number they have been assigned. Information is to be maintained for three years and made available to Board staff upon request.

7. MONTICELLO RACEWAY SIMULCAST LICENSE APPLICATION FOR 2005

See Board Item number six above.

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

The Board considered the May 24, 2005 request of the New York Racing Association to clarify the Board's intent with regard to the Board's Orders dated November 4, 2004 and February 10, 2005. Those Orders addressed issues in relation to payments made by NYRA to the Finger lakes Racing Association and by FLRA to NYRA. The Board granted the NYRA request in part and only to the extent of modifying the February 10, 2004 Order with respect to the payment mechanism specified in paragraph 3 of that Order. The Board ordered that payment in the amount of \$2,849,668, representing the aggregate net payment, be made by FLRA to NYRA on or before July 17, 2005 unless FLRA and NYRA achieve a resolution affecting payment by settlement, compromise or otherwise prior to that date.

9. SARATOGA HARNESS TRACK LICENSE APPLICATION FOR 2005

The Board deferred action on the Saratoga Harness track and simulcast license applications for 2005 pending receipt of a final fire inspection of the backstretch area. The Board assigned the racing programs requested for the month of July 2005 with the addition of July 12, 19, and 26. Racing programs are approved with 12 races as a maximum with the ability to seek permission from the presiding judge for additional races on a “ case-by-case” basis.

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

Saratoga Harness may remain operational on the continuing rights of the 2004 track and simulcast license. However, continuing 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. All contracts for sites to receive New York simulcasts must provide that such receiving sites not rebate *in cash* on New York races.
 - b. 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.
 - 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" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.
 - d. 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.
- 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, 2005.
- The name, address, social security number and date of birth must be obtained from each individual who opens a wagering account (i.e. temporary wagering account, day account, telephone wagering account, etc.) and the account number they have been

assigned. Information is to be maintained for three years and made available to Board staff upon request.

10. SARATOGA HARNESS SIMULCAST LICENSE APPLICATION FOR 2005

See Board Item number nine above.

11. YONKERS RACEWAY FOR TEMPORARY CESSATION OF LIVE RACING AND SIMULCASTING

The Board approved the request by Yonkers Raceway to amend its plan of operation providing for a temporary cessation of racing and simulcasting. This cessation will begin after the conclusion of the live racing program of Saturday, June 25th and the simulcast program of Sunday, June 26, 2005.

According to the request letter, “ These suspensions are necessary in order to begin construction and renovation in preparation of instituting our video lottery gaming operation. Please be assured that we will request a reinstatement of both racing and simulcasting as soon as it is possible, practical and safe for all participants and patrons.”

The horsemen at Yonkers Raceway have language within their current contract (in effect through December 31, 2008) that provides for this temporary cessation of live racing for the purpose of preparation for video gaming machines.

12. CAPITAL OTB SIMULCAST LICENSE APPLICATION FOR 2005

The Board deferred action on the Capital District Regional OTB simulcast license application for 2005 pending receipt of completed fire inspections.

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

Capital OTB will remain operational on the continuing rights of the 2004 simulcast license. However, continuing 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. 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.

- b. 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.

- 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, 2005.
- The name, address, social security number and date of birth must be obtained from each individual who opens a wagering account (i.e. temporary wagering account, day account, telephone wagering account, etc.) and the account number they have been assigned. Information is to be maintained for three years and made available to Board staff upon request.

13. CAPITAL OTB REQUEST TO ADD NEW E-Z BET LOCATION –

FORT EDWARD

On June 16, 2005, the New York State Racing and Wagering Board approved the request by Capital District Regional OTB to conduct wagering and display simulcasts at Broadway Lanes located at 359 Broadway in Fort Edward (Washington 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 will be limited to a maximum of five hundred dollars (\$500).

In addition, it is expected that Capital OTB, using its own North Country security and audit employees, will inspect the Broadway Lanes EZ 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 EZ Bet locations must be filed with the Board in a timely manner.

Furthermore, the Secretary to the Board must be immediately notified in writing should a change in any operating procedure be implemented that affects the operation of this approved Capital District Regional OTB EZ Bet facility.

14. NASSAU OTB SIMULCAST LICENSE APPLICATION FOR 2005

On June 16, 2005, the New York State Racing and Wagering Board deferred action on the Nassau OTB simulcast license application for 2005 pending Nassau OTB compliance with application of the surcharge to “ day accounts” as specified below and pending further Board staff analysis with regard to identifying information for “ day account” users.

The Board directed that surcharges be applied to winning wagers placed by use of “ day accounts” at all facilities other than the Teletheater except when the “ day account” is used specifically to place wagers through the Nassau OTB telephone wagering system.

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

Nassau OTB may remain operational on the continuing rights of the 2004 simulcast license. However, continuing 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. 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.
 - b. 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.

- 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, 2005.

- The name, address, social security number and date of birth must be obtained from each individual who opens a wagering account (i.e. temporary wagering account, day account, telephone wagering account, etc.) and the account number they have been assigned. Information is to be maintained for three years and made available to Board staff upon request.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

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

On May 11, 2005 the Board adopted the amendments to Sections 4043.6, 4043.7, 4038.18, 4120.10, 4120.11, 4109.7 and 4113.3, which pertain to erythropoietin, darbepoietin, reserpine and fluphenazine and the consequences of positive tests were adopted. These amendments became

permanently effective on May 11, 2005 upon publication in the State Register.

2. GAMES OF CHANCE – BINGO REGISTRATION NUMBERS – JUNE

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05/05-27-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between May 6, 2005 – June 6, 2005.

3. GAMES OF CHANCE – BELL JAR TICKETS – JUNE – 05/05-28-E

List of bell jar ticket authorized/denied by the Charitable Gaming Unit between May 6, 2005 - June 6, 2005.

4. INDIAN GAMING - LICENSING STATISTICS FOR MAY 2005 – 05/05-26-E

Licensing statistics for May 1, 2005 – May 31, 2005. Also included are the certifications for Turning Stone, Akwesasne, Seneca Niagara and Seneca Allegany.

5. LICENSING – CURRENT RACING LICENSING COUNT AS OF MAY 2005 – 05/05-23-E

The current racing licensing counts as of May, 2005 are as follows: total receipts 6264 and total licenses 4310 for the year 2005.

F. FOLLOW-UP ON ITEMS PREVIOUSLY APPROVED

**CONDITIONS MET _____ 1. NYRA/FINGER LAKES – PAYMENTS ON OUT Date:
OF STATE THOROUGHBRED RACES**

Conditioned date: 1/24/05

1017.1(b)(5)(D) & 1017.1 (b)(6)(D)

Directed that written notification be provided to the Board by FLRA and NYRA within sixty (60) days of the date of letter (2/8/05) concerning the status of this matter and any agreement affecting the disposition of these supplemental commissions.

Due April 18, 2005. See item number D-8 above.

CONDITIONS MET _____ 2. NYRA REQUEST TO AMEND RACING

Date: **OFFICIALS – SIMONCINI**

Conditioned date: 4/13/05

Conditioned upon a satisfactory suitability check by Audits & Investigations.

CONDITIONS MET X 3. CAPITAL OTB REQUEST TO OFFER CASH

Date: May 2, 2005 **CARDS - TELETHEATER**

Conditioned date: April 21, 2005

The Board granted temporary conditional approval of the Capital District Regional Off-Track Betting Corporation' s (CDROTB) general use of Capital Cash Cards at the OTB Teletheater facility. The conditions for this approval require CDROTB to submit to the Board:

1. By no later than May 1, 2005 a copy of a completed and filed application registering CDROTB as a Money Service Business or provide a copy of a revised request to FinCen seeking clarification whether or not CDROTB, because of its general operations (including offering telephone account wagering), register as a Money Services Business.
2. A report prepared by an independent certified public accounting firm that expresses an opinion directly on the effectiveness of CDROTB' s internal controls over the Capital Cash Card System as of September 30, 2005. Such report must be filed with the Board no later than November 30, 2005.

3. By no later than May 1, 2005 acknowledgement that they have amended CDROTB' s internal controls to reflect implementation of the following denomination limits:

Cash cards are not to be funded in excess of:

\$1.00 (in the amount of 100) or \$100

\$5.00 (in the amount of 100) or \$500

\$10.00 (in the amount of 100) or \$1,000

\$20.00 (in the amount of 100) or \$2,000

4. By no later than May 1, 2005 acknowledgement that they have amended CDROTB' s internal controls to reflect implementation of the following:

- * Restriction of cards to minors and steps taken to identify a minor;

- * When a cash card is confiscated from a minor, the policy to ensure funds are not returned to a minor and;

- * Policies addressing steps taken should a minor attempt to reactivate or cash out such a card.

This conditional approval is for the OTB Teletheater location only and will expire at midnight December 31, 2005. If CDROTB intends on offering the Cash Card system at other locations, an application requesting approval for each location must be submitted to the Board for approval.

CONDITIONS MET X 4. NYRA REQUEST FOR AGREEMENT FOR

Date: May 9, 2005 **BREEDERS' CUP**

Conditioned date: April 25, 2005

A copy of the fully executed contract, with attachments is to be filed with the Board within five days of signing.

CONDITIONS MET _____ 5. FINGER LAKES REQUEST FOR

Date: **ADDITION OF RACING OFFICIAL - COMBS**

Conditioned date: May 6, 2005

This approval is conditioned upon the background check of Donald E. Combs.

CONDITIONS MET X 6. NYRA REQUEST TO AMEND LIST OF

Date: May 5, 2005 **RACING OFFICIALS - JACKSON**

Conditioned date: May 3, 2005

This approval is conditioned upon Dr. Jackson' s filing of a satisfactory license application upon her appearance at Belmont Park on Friday, May 6, 2005.