

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF MARCH 31, 2003

A meeting of the New York State Racing and Wagering Board was held on Monday, March 31, 2003 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 11:30 p.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Ed Martin, Executive Director

Sheila Osterhout, Secretary to the Board

Robert Feuerstein, General Counsel

Gregg Schreffler, Chief of Audits

Joe Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Stacy Clifford, NYSR&WB

Bill Crowell, Hinman Straub

OPEN COMMENT PERIOD:

A. The Board approved the minutes of the Board meeting held on February 21, 2003.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. MONTICELLO RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2003

For entry into the minutes, on February 21, 2003, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts from the Plainridge Racecourse in Massachusetts during the calendar year 2003.

* For entry into the minutes, on March 5, 2003, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcast signals on the year 2003 Hawthorne (Illinois) race meeting through May 8th, as stipulated in the Illinois Thoroughbred Horsemen's Association, Inc. permission letter.

The simulcasts of the above named racing program will be utilized as imported simulcasts only, as permitted under the Racing Law.

To continue on this simulcast contract with Hawthorne Race Course after May 8, 2003, a new letter of permission from the Illinois Horsemen must be secured and filed with the Board.

* For entry into the minutes, on March 12, 2003, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of the simulcast signal from Pocono Downs, a harness racetrack in Wilkes Barre, Pennsylvania during its year 2003 racing season.

* For entry into the minutes, on March 12, 2003, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of the simulcast signal from the Spring Keeneland Race Course in Kentucky, effective with their opening 2003 program on Friday, April 4th.

2. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2003

For entry into the minutes, on February 25, 2003, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of the simulcast signal from the thoroughbred racetracks known as Beulah Park in Ohio through May 3, 2003 only and Tampa Bay Downs in Florida. These simulcasts may be utilized whenever in compliance with the Racing Law.

To continue at any time during 2003 with the Beulah Park simulcasts after May 3, 2003, new letters of permission from the Ohio State Racing Commission and from the Ohio Division of the Horsemen's Benevolent and Protective Association (H.B.P.A.) must be filed with the Board.

* For entry into the minutes, on March 11, 2003, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of the simulcast signal from Scarborough Downs in Maine.

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

* For entry into the minutes, on March 11, 2003, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of the simulcast signal from the Spring Keeneland Race Course in Kentucky, effective with their opening 2003 program on Friday, April 4th.

This approval is valid for the Spring Keeneland meet only, as per the Kentucky Thoroughbred Association's letter that specifies permission for the Keeneland Spring meeting only.

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

* For entry into the minutes, on March 19, 2003, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of simulcast signals from the harness racetracks known as Balmoral Park and Maywood Park.

These simulcasts may be imported and utilized whenever in accordance with the Racing Law.

3. NASSAU OTB REQUEST TO OFFER PROMOTION - SPRING BREAK

For entry into the minutes, on February 25, 2003, approval was granted for the request by Nassau Regional OTB for a promotion involving a random drawing from completed and eligible entries collected from March 3rd through March 10th.

All winners will be drawn and prizes awarded on March 11th and the contest will be conducted as per the submitted rules.

4. VERNON DOWNS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2003

For entry into the minutes, on February 27, 2003, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of the year 2003 simulcasts from Pocono Downs in Pennsylvania and for the Spring thoroughbred meeting emanating from the Keeneland Race Course in Lexington, Kentucky.

These simulcasts can be utilized whenever permitted under the Racing Law.

* For entry into the minutes, on March 24, 2003, approval was granted for the request by Vernon Downs to amend its simulcast plan of operation enabling the import of simulcasts from the harness racetracks known as Balmoral Park and Maywood Park.

These simulcasts may be imported and utilized whenever in accordance with the Racing Law.

5. YONKERS RACEWAY REQUEST TO ADD SUPERFECTA WAGERING

For entry into the minutes, on February 27, 2003, approval was granted for the request by Yonkers Raceway to amend its plan of operation enabling additional superfecta wagers on named Early and Late Closing events and New York Sire Stakes races, but no more than three (3) on any one racing program.

In addition, there must be at least nine (9) betting interests reporting to the paddock for such events with at least eight (8) betting interests starting.

6. SARATOGA HARNESS REQUEST TO AMEND PLAN OF OPERATION □ POST TIME

For entry into the minutes, on March 5, 2003, approval was granted for the request by Saratoga Harness to amend its plan of operation enabling a new first post time of 12:50 p.m. effective Friday, March 14th and continuing through Saturday, April 26th.

7. NASSAU OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2003

For entry into the minutes, on March 5, 2003, approval was granted for the request by Nassau Regional OTB, dated February 27, 2003, to amend its simulcast plan of operation enabling the import of simulcasts from the thoroughbred track located in the State of Illinois known as Hawthorne Race Course in Illinois.

Although the Hawthorne Race Course contract is for all of 2003, the simulcasts are approved through May 8th only as per the letter from the Illinois Thoroughbred Horsemen's Association. To continue after this date with the later Hawthorne Park meetings, a new permission letter from the Illinois Thoroughbred Horsemen must be filed with the Board.

This approval extends to Suffolk Regional OTB as well. All simulcasts may be utilized and wagering conducted on such simulcasts whenever in accordance with the Racing Law.

* For entry into the minutes, on March 11, 2003, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation enabling the importation of simulcasts from the year 2003 harness race meeting conducted at The Downs (Pocono Downs) in Wilkes Barre, Pennsylvania.

This approval extends to Suffolk Regional OTB as well. The Pocono Downs simulcasts may be imported whenever permitted under the Racing Law.

8. NEW YORK CITY OTB REQUEST FOR ADDENDUM TO CURRENT CONTRACT WITH ARLINGTON RACECOURSE

For entry into the minutes, on March 5, 2003, approval was granted for the request for an addendum to a current valid contract between the New York City OTB Corporation and Arlington International Racecourse. This addendum, dated February 25, 2003, enables the simulcast of four thoroughbred races from Dubai in the United Arab Emirates on Saturday, March 29, 2003. There is scheduled to be a seven-race program on this day. New York City OTB has contracted for races four through seven with the rights holder to the races of Dubai World Cup day, Arlington International Racecourse.

The single race known as The Dubai World Cup will command a payment rate of four percent (4%) on all pari-mutuel pools, regular, multiple and exotic as per contract. All other

races simulcast on this same World Cup 2003 race program from Dubai require a two percent (2%) rate for all wagers in all pari-mutuel pools.

Other stakes races on the Dubai World Cup 2003 race card, including the Dubai Golden Shaheen, the Dubai Sheema Classic and the Dubai Duty Free can be simulcast and wagering taken under Section 1017-a of the Racing Law. All events are scheduled to conclude before the initial in-state thoroughbred race of the day at the operating NYRA track (Finger Lakes has yet to begin its 2003 season).

This approval extends to all other regional OTB corporations in New York State should they choose to simulcast and take wagering on any (all) such races.

9. NYRA REQUEST TO SEND SIGNAL TO RACING MUSEUM & HALL OF FAME

For entry into the minutes, on March 7, 2003, approval was granted for the request by NYRA for a promotion in conjunction with the National Museum of Racing in Saratoga Springs, New York. This promotion permits NYRA to provide the encrypted video feed and associated activities with its live racing presentation at its operating racetrack during the remainder of the calendar year 2003. As outlined in the December 29, 2002 request letter, this would be provided for promotional purposes only and no pari-mutuel wagering would occur.

NYRA must provide one decoder for the Museum's use and that one decoder must be dedicated to the NYRA simulcast at all times during this promotion. The staff of the National Museum of Racing must assure that no wagering takes place within the Museum. To continue with this promotion past December 31, 2003, a new application together with a statement from the National Museum of Racing concerning the achieved promotional results from the 2003 promotional year must be forwarded to the Board.

10. NYRA REQUEST TO AMEND PLAN OF OPERATION - WAGERING

For entry into the minutes, on March 7, 2003, approval was granted for the request by NYRA to amend its plan of operation in relation to the pick-six wager. Board approval is granted effective Wednesday, March 12th to use the final six races on any given NYRA program as the six legs of the pick-six wager.

11. NYRA REQUEST TO DESIGNATE RACES AS SPECIAL EVENTS

For entry into the minutes, on March 7, 2003, approval was granted for the request by NYRA to designate two out-of-state thoroughbred events as special events.

Approved are the Illinois Derby to be contested at Hawthorne Race Course on Saturday, April 5th and the Big-3 Pick-3 to be hubbed at Aqueduct Race Track in New York at a special twenty percent (20%) takeout on Saturday, April 12th. The three legs of the Big-3 Pick-3 consist of the Wood Memorial from Aqueduct, the Toyota Blue Grass Stakes from Keeneland Racecourse and the Arkansas Derby from Oaklawn Park.

These events are added to the yearly cumulative listing of allowable special events under Section 905-a of the Racing Law.

12. CAPITAL OTB REQUEST TO OFFER PROMOTION (ADDITIONS)

For entry into the minutes, on March 11, 2003, approval was granted for the request for an enhancement to the NCAA basketball promotion to be conducted at the Teletheater on Thursday, March 20th through Saturday, March 22nd.

Approved is the ability to distribute two-dollar vouchers to all patrons entering the Teletheater before 6:00 p.m. on Thursday and Friday. Further approved is the ability to distribute two-dollar vouchers on Saturday until 6:00 p.m. to all patrons after the first 200 admissions. Also approved are the giveaway of five \$100 vouchers through the following special drawings on Saturday: a losing betting ticket signed with the patron's name and address; by random drawing from among the names of attendees at the Live TV-12 handicapping shows; and to the holder(s) of a racing program with the authentic signature of Capital OTB President Michael Connery.

Previously on February 7, 2003, the New York State Racing and Wagering Board approved the original request to distribute vouchers valued at five-dollars each to the first 200 arrivals at the Albany Teletheater on Saturday, March 22nd. These vouchers are valid for this one date only.

The New York State Racing and Wagering Board reserved the right to audit the results of all voucher promotions.

13. YONKERS RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2003

For entry into the minutes, on March 12, 2003, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the import of the simulcast signal from Pocono Downs, a harness racetrack in Wilkes Barre, Pennsylvania during its year 2003 racing season.

Also approved was the new contract enabling the export of the Yonkers Raceway simulcasts to Sports Creek Raceway in Swartz Creek, Michigan during the remainder of the calendar year 2003.

* For entry into the minutes, on March 19, 2003, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the import of the simulcast signals from the harness racetracks of Scarborough Downs located in Scarborough, Maine and from Harrington Raceway located in Delaware.

This approval is effective immediately and these simulcast signals may be utilized whenever in compliance with the Racing Law.

14. NEW YORK CITY OTB REQUEST TO OFFER PROMOTION □ WOMEN'S HISTORY MONTH

For entry into the minutes, on March 12, 2003, approval was granted for the request by New York City OTB to amend its plan of operation enabling the distribution of 1,875 vouchers with a value of \$4,320.00 in the quantities and denominations as outlined in the submitted promotional application.

Also approved is an evening distribution at the Winner's Circle Teletheater of 200 vouchers with a value of \$970.00 as outlined in the application package, dated March 10, 2003.

The Racing and Wagering Board reserved the right to audit the results of this voucher promotion. This approval is effective immediately.

15. FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2003

For entry into the minutes, on March 24, 2003, approval was granted for the request by Finger Lakes to amend its simulcast plan of operation enabling the export of its daily simulcast in-state to the Nassau Downs Regional Off-Track Betting Corporation during the year 2003 Finger Lakes racing season.

16. CAPITAL OTB REQUEST TO SIMULCAST FINGER LAKES

For entry into the minutes, on March 24, 2003, approval was granted for the request by Capital District Regional Off-Track Betting Corporation to amend its plan of operation enabling the import of simulcasts from the year 2003 Finger Lakes thoroughbred race meeting that is scheduled to begin on Friday, April 18th.

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

1. SUFFOLK OTB REQUEST TO APPOINT NEW PRESIDENT APPOLLARO

For entry into the minutes, on March 19, 2003, the Board approved the request for the appointment of Mr. Anthony Francis Apollaro as the new President and Chief Executive Officer at the Suffolk Regional Off-Track Betting Corporation.

This approval is conditioned upon the satisfactory return of Mr. Appollaro's federal fingerprint cards.

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

1. IN THE MATTER OF MICHAEL L. CRUSE

The Board approved Hearing Officer Baller's recommendation that the license refusal of harness driver license applicant Michael L. Cruse be upheld based upon the finding Mr. Cruse had violated Board Rules (9 NYCRR) 4119.11 and 4101.24.

2. IN THE MATTER OF SUSAN GERIG

The Board approved Hearing Officer Baller's recommendation that the license refusal of harness groom license applicant Susan Gerig be upheld based upon the finding that she lacked the experience, character and general fitness such that her participation in racing would be inconsistent with the public interest, convenience and necessity or with the best interests of racing generally.

3. IN THE MATTER OF JUAN SEREY

The Board deferred the matter a final time until the June 2003 Board meeting, per the request by respondent's attorney.

4. CHARITABLE GAMING REVISED CHARITABLE GAMING FORMS

The Board approved the submitted thirty-eight (38) revised charitable gaming forms. The Board granted authority to staff to make non-substantive changes (e.g. spelling, font, spacing).

5. FINGER LAKES TRACK LICENSE APPLICATION FOR 2003

The Board approved the Finger Lakes year 2003 track and simulcast license applications.

The licenses are issued contingent upon compliance with the following conditions:

- Conditioning the continued use of Hitachi□s, bet mates or other similar devices by providing that no cancellations are allowed to be placed on them.
- Limiting the issuance/use of Hitachi□s, bet mates or other similar devices to one per person/betting interest.
- Eliminating any cancellation delay □ no cancellations after the start of the race.
- The name, address, social security number and date of birth must be obtained from each individual who opens a day account (temporary wagering account) and the account number they have been assigned. Information is to be maintained for three years and made available to Board staff upon request.

6. FINGER LAKES SIMULCAST LICENSE APPLICATION FOR 2003

See Board item number 5.

7. FINGER LAKES REQUEST FOR APPROVAL OF RACING OFFICIALS

The Board approved the request by Finger Lakes for the list of the year 2003 track officials at Finger Lakes racetrack as required under Board Rule 4005.1.

8. TAX & FINANCE CERTIFICATION OF YEAR 2003 RACING DATES □ FINGER LAKES

The Board certified pursuant to Section 228(3) of the Racing, Pari-Mutuel Wagering and Breeding Law that Finger Lakes has been assigned for 2003 at least 90% of program races raced in 1985 or 1986 (whichever year had the fewer).

9. FINGER LAKES REQUEST TO WITHDRAW FROM CIF - \$25,053.30

The Board approved \$24,090.15 of the request by Finger Lakes Racing Association, Inc., dated February 6, 2003, to withdraw \$25,053.30 from their Capital Improvement Fund for capital improvement expenditures.

In addition, the Board denied without prejudice \$963.15 for VHF radios. Staff was informed during the physical inspection that these radios have been sent out for some adjustments to be made on them and they had not received them back yet.

Backstretch & Barns (52%)

Painting NYS Test Barn \$3,070.90
Cultimulcher 3,924.00
Harrow Leveling Assembly 1,063.57
Dump Truck Body 1,926.00
Lexan Windows □ Barn 15A, 3, 14 & 17 920.72
Swim Farm (Life vests, signage, paint, fan,
& trash pump) 1,016.32
Drainage Ditch Barn Area 721.50
Total Backstretch \$12,643.01
Other (48%)
Table Saw \$ 727.60
Soap Dispensers 688.23
Toaster Oven 608.83
Folding Tables 767.77
Scale □ Winner□s Circle 941.07
Elevator wall panels 929.83
Fire Extinguishers 579.41
Remodel copy room 869.58
Wireless receiver/transmitter 1,296.84
Matting □ roof walk way 711.68
Plasma cutter 550.46
Ceiling Fans □ Upper Grandstand 993.96
Outside Grandstand □ painting 1,781.88
Total Other \$11,447.14
Total Approved \$24,090.15

10. SARATOGA HARNESS REQUEST TO WITHDRAW FROM CIF - \$97,766.00

The Board approved the request by Saratoga Harness to withdraw \$97,766.00 from its Capital Improvement Fund for reimbursement of capital improvements (\$77,433.25) and advertising and promotion (\$20,332.75) expenditures.

Capital Improvements Backstretch (45%)

Dishwasher

4,408.40

Hotdog Grill

649.36

Rubber Mats

8,854.00

Engine Rebuild

4,407.29

New Engine

10,476.31

Grader Repair

4,516.71

Plate Compactor

1,450.44

Truck Repair

2,230.58

36,993.09

Other (55%)

Dishwasher

14,903.01

Switch for Track Lights

17,641.59

Backstretch Camera

12,085.65

44,630.25

Total Submitted

81,623.34

Total Approved

77,433.25

Amount Available

2002 Reg. and Mult. On-Track Handle

\$4,127,154

½ of 1%

0.005

Total Amount Available

20,635.77

Total Cost of Expenditures Submitted for TV Advertisements 32,725

Total Amount Requested

20,332.75

Amount Remaining

\$303.02

Total Request

Capital Improvement Expenditures \$77,433.25

Advertising and Promotion Expenditures 20,332.75

Total Approved \$97,766.00

11. CAPITAL OTB REQUEST FOR NEW OWNERS OF E-Z BET - CORTLAND

The Board approved the Capital District Regional OTB request, dated January 8, 2003, to continue to conduct wagering and display simulcasts at the St. Charles Hotel, Inc. located at 83 Central Avenue in Cortland, New York (Cortland County) under its new ownership. At this new E-Z bet location, all wagering is self-service and initiated using a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be five hundred dollars (\$500).

In addition, it is expected that Capital OTB, using its own security and audit employees, will inspect the St. Charles Hotel E-Z Bet facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed. A copy of the results of all Capital security checks involving E-Z Bet locations must be filed with the Board in a timely manner.

Additionally, the Secretary to the Board must be immediately notified in writing, should a change in any operating procedure become effective at this approved E-Z Bet facility.

12. SUFFOLK OTB REQUEST TO APPOINT NEW BOARD OF DIRECTOR - GOWAN

The Board approved the appointment of Mr. James A. Gowan as a new member of the Board of Directors at the Suffolk Regional Off-Track Betting Corporation.

13. SUFFOLK OTB REQUEST FOR NEW QUIK-BET LOCATION □ BLUE POINT

The Board approved the request by Suffolk Regional OTB, dated December 3, 2002, to conduct wagering and display simulcasts at Cavanaugh's Pub in Blue Point, New York (Suffolk County). At this new Quik-Bet Location, all wagering is self-service and initiated using a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be five hundred dollars (\$500).

In addition, it is expected that Suffolk Regional OTB, using its own personnel, will occasionally inspect the Cavanaugh's Pub Quik-Bet facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed.

Furthermore, the Secretary to the Board is to be notified in writing in a timely manner should a change in ownership or procedure be implemented that affects the operation of this approved Quik-Bet facility.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. YONKERS/STANDARD BRED OWNERS ASSOCIATION, INC. WITHDREW PERMISSION TO EXPORT SIMULCAST □ ILLINOIS □ 02/03-24-E

The horsemen's association at Yonkers voted to withdraw its permission for Yonkers Raceway simulcasts to be exported to any receiving site in the State of Illinois as of 3/14/03. This action results from support for their fellow horsemen in Illinois that are currently entering their second month of action against the harness racetracks of Balmoral and Maywood Park and their ancillary OTB's.

2. NYRA ☐ PROMOTION OF NYRA VETERINARIAN ☐ KUNZ ☐ 03/03-02-E

NYRA has promoted Dr. Celeste Kunz to the position of Chief Examining Veterinarian. Dr. Kunz replaces Dr. Neil Cleary.

3. INDIAN GAMING LICENSING STATISTICS ☐ FEBRUARY 2003 - 03/03-03-E Licensing statistics for February 1, 2002 through February 28, 2003. Also included are the certifications for Turning Stone, Akwesasne and Seneca Niagara.

4. STATE REGISTER PUBLICATION OF NOTICE OF EMERGENCY RULEMAKING - VOLUNTARY EXCLUSION OF PERSONS FROM RACETRACKS/OTBs AND VOLUNTARY LIMITS ON ACCOUNT WAGERING - 02/03-01-E

These amendments became effective February 16, 2003 for a period of ninety (90) days. A copy of the published notice from the March 5, 2003 NYS Register is attached to the item.

These rules have been submitted to the Governor's Office of Regulatory Reform with Notice of Intent to propose by standard rule making protocol.

5. STATE REGISTER PUBLICATION OF NOTICE OF ADOPTION-GAMES OF CHANCE AND BINGO FORMS AND THOROUGHBRED CONSENSUS RULES - 03/03-17-E

The Board's adopted consensus rules concerning games of chance and bingo forms became effective on March 19, 2003. The Notice of Adoption was published in the March 19, 2003 issue of the State Register. The amendments will facilitate changes to forms.

The Board's adopted thoroughbred consensus rules concerning technical changes (e.g. updating references) became effective on March 19, 2003. The Notice of Adoption was published in the March 19, 2003 issue of the State Register.

6. LICENSING ☐ CURRENT LICENSING COUNT AS OF 12/31/02 - 03/03-16-E

The current licensing count as of March 24, 2003 are as follows: total receipts 3034 and total licenses 2146.

7. GAMES OF CHANCE ☐ BINGO REGISTRATION NUMBERS ☐ FEBRUARY/MARCH ☐ 03/03-20-E List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between February 12, 2003 ☐ March 21, 2003.

8. GAMES OF CHANCE ☐ BELL JAR TICKETS ☐ FEBRUARY/MARCH ☐ 03/03-21-E List of bell jar tickets authorized/denied by the Charitable Gaming Unit between

February 12, 2003 ☐ March 21, 2003.

9. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS - FEBRUARY/MARCH - 03/03-22-E

List of manufacturers/suppliers licensed for 2002, by the Charitable Gaming Unit, between February 12, 2003 ☐ March 21, 2003.

The meeting was adjourned at 12:13 p.m.