

MINUTES

NEW YORK STATE RACING AND WAGERING SPECIAL BOARD

MEETING OF MAY 25, 2000

A meeting of the New York State Racing and Wagering Board was held on Thursday, May 25, 2000 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 11:35 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Joseph Neglia, Member

Bennett Liebman, Member

Nicole Thuillez, Secretary to the Board

Robert Feuerstein, General Counsel

Tom Casaregola, Director of Audits and Investigations

Joe Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Nicole Robilotto, NYSR&WB

Tom Precious, Buffalo News/Blood Horse

Mike Kane, Schenectady Gazette

Bill Crowell, Hinman, Straub, Pigors & Manning, P.C.

Heather Bennett, Bennett firm

Dan Wray, New York City OTB

OPEN COMMENT PERIOD: No comments were made.

A. The Board approved the minutes of the Board meeting held on April 27, 2000.

B. ITEMS PREVIOUSLY APPROVED, DENIED OR DEFERRED BY THE CHAIRMAN.

1. SARATOGA RACEWAY REQUEST TO IMPORT SIMULCAST FROM VARIOUS OUTLETS IN 2000

For entry into the minutes, on April 27, 2000, approval was granted for the request by Saratoga Raceway for the agreement with Lone Star Park, a thoroughbred race track in Texas. This simulcast may be utilized whenever in accordance with the Racing Law.

Also approved was the Saratoga Harness agreement with Vernon Downs to import the simulcast signal and take wagering on the entire year 2000 Vernon Downs racing season.

- For entry into the minutes, on May 4, 2000, approval was granted for the request by Saratoga Raceway to import the simulcast from the April Arlington International Race Course race meeting, whenever in accordance with the Racing Law.

Also approved is the Saratoga Harness contract with Churchill Downs, Inc. This contract provides for the import of the year 2000 Churchill Downs simulcasts and includes the Hoosier Park simulcasts (harness only), the Calder Race Course simulcasts (all year 2000 race meetings), the Hollywood Park simulcasts (all year 2000 race meetings) and the year 2000 Ellis Park simulcasts.

2. NASSAU OTB REQUEST TO SIMULCAST HAZEL PARK

For entry into the minutes, on April 27, 2000, approval was granted for the request by Nassau Regional OTB, dated April 26, 2000, to simulcast the remainder of the 2000 harness racing meeting from Hazel Park in Michigan that concludes on October 14th.

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

3. NEW YORK CITY OTB REQUEST TO IMPORT SIMULCAST FROM GREAT LAKES DOWNS

For entry into the minutes, on April 27, 2000, approval was granted for the request by New York City OTB to import the simulcast signal and take wagering on races from Great Lakes Downs, a thoroughbred track in Muskegon, Michigan. This simulcast may be utilized whenever in accordance with the Racing Law.

Although the submitted contract is for three years and is scheduled to expire on December 31, 2002, new federally required letters of permission from the Michigan State Racing Commission and the Michigan Division of the Horsemen's Benevolent and Protective Association must be filed with the Board prior to the 2001 racing season at Great Lakes Downs.

This approval is also extended to all other New York State Regional Off-Track Betting Corporations.

4. WESTERN OTB REQUEST TO AMEND PLAN OF OPERATION

For entry into the minutes, on April 27, 2000, approval was granted for the request by Western OTB for approval of the new one-month extension of the Buffalo Raceway simulcast contract with the Western Regional Off-Track Betting Corporation.

It is understood that this contract is now in effect through May 31, 2000.

5. NYRA REQUEST TO IMPORT SIMULCAST FROM CHURCHILL DOWNS, ETC.

For entry into the minutes, on April 28, 2000, approval was granted for the request by NYRA for approval of the contract with Churchill Downs, Inc. This contract provides for the import of the year 2000 Churchill Downs simulcasts (Spring-Summer meet only), the Calder Race Course simulcasts (all year 2000 race meetings), the Hollywood Park simulcasts (the Spring-Summer race meeting only) and the year 2000 Ellis Park simulcasts.

New letters of permission for later year 2000 meetings at Churchill Downs and Hollywood Park must be filed with the Board. These letters would include permissions from the Thoroughbred Owners of California (TOC) for Hollywood Park and from the Kentucky Division of the Horsemen's Benevolent and Protective Association (H.B.P.A.) for the Fall year 2000 Churchill Downs meeting. All letters will fulfill the federal requirements for the conduct of interstate simulcasting.

6. CAPITAL OTB REQUEST TO SIMULCAST FROM POCONO DOWNS & SCIOTO DOWNS

For entry into the minutes, on April 28, 2000, approval was granted for the request by Capital OTB to import simulcast harness racing programs from Pocono Downs in Pennsylvania and from Scioto Downs in Ohio during the year 2000 race meetings at both harness tracks. These simulcasts may be imported and wagering conducted whenever in accordance with the Racing Law.

These approvals further extend to the Catskill and Western Regional Off-Track Betting Corporations.

7. STATE STEWARD AT FINGER LAKES REQUEST TO EXTEND APPRENTICE JOCKEY ALLOWANCE - MCKEEVER - SMITH

For entry into the minutes, on May 3, 2000, approval was granted for the request by the State Steward at Finger Lakes for the extension of the apprentice allowance of Jockey Mandy McKeever-Smith for 309 days. Ms. McKeever's date of record for the expiration of her apprenticeship allowance is now September 1, 2000.

8. MONTICELLO RACEWAY REQUEST FOR SIMULCASTS FOR YEAR 2000

For entry into the minutes, on May 3, 2000, approval was granted for the request by Monticello Raceway to import and take wagering on simulcast signals from Scioto Downs in Ohio, effective May 6, 2000.

Also approved is the request to import and take wagering on simulcast signals from Vernon Downs effective immediately.

* For entry into the minutes, on May 16, 2000, approval was granted for the request by Monticello Raceway to import the simulcast from Monmouth Park in New Jersey and Arlington Racecourse in Illinois whenever permitted under the Racing Law.

During the NYRA Saratoga race meeting (July 26th - September 3rd), the Arlington Racecourse and Monmouth Park simulcasts are lawful only on Saratoga "dark days" or as a "bridge" simulcast upon conclusion of the last in-state New York thoroughbred race.

9. NYRA REQUEST TO ADD TRIFECTA WAGERING BEGINNING ON 5/10/00

For entry into the minutes, on May 3, 2000, approval was granted for the request by NYRA to add an additional triple (trifecta) wager to the daily NYRA racing card specifically on the second race.

This approval is effective beginning with the opening day of the year 2000 Belmont Park race meeting.

10. YONKERS RACEWAY REQUEST TO IMPORT HARRINGTON RACEWAY

For entry into the minutes, on May 3, 2000, approval was granted for the request by Yonkers Raceway to import and conduct wagering on the Harrington Raceway harness simulcasts.

Harrington Raceway has a 5:45 p.m. first post. In the absence of permission from the New York Racing Association and to comply with Section 1016 (2) of the Racing Law, it is required that Yonkers Raceway will begin each Harrington program with Race #2, the initial race contested after the 6:00 p.m. time specified under this section of the Racing Law. Yonkers may apply to the Board, should they receive from NYRA and forward to the Board a letter of permission, to take the 5:45 p.m. first race. Such a letter from NYRA would constitute compliance by waiver with this section of the Racing Law. The 6:00 p.m. time, applying to out-of-state harness (only) simulcasts, is in effect regardless of the ending time of the last NYRA race.

No more than five out-of-state harness simulcast signals may be imported in any one day per the current Racing Law.

This approval extends through the life of this contract that is in effect until December 31, 2000.

11. FINGER LAKES REQUEST TO EXTEND AGREEMENT WITH WESTERN OTB

For entry into the minutes, on May 4, 2000, approval was granted for the request by Finger Lakes for an extension to the Finger Lakes and Western OTB contract through May 9, 2000.

12. VERNON DOWNS REQUEST TO ADD TRIFECTA WAGER TO FINAL RACE

For entry into the minutes, on May 4, 2000, approval was granted for the request by Vernon Downs to cancel the sixth race triple wagering on programs not approved for "all-triple wagering" and add an additional triple (trifecta) wager to the daily final race each program. The understanding of the Board is that in the event of field size conforming to the racing rules, both superfecta and triple wagering will be conducted on such program's final race.

This approval is effective immediately.

13. NASSAU OTB REQUEST TO SIMULCAST FROM ARLINGTON PARK, MONMOUTH PARK, ETC.

For entry into the minutes, on May 4, 2000, approval was granted for the request by Nassau OTB to accept simulcast signals from and conduct wagering on the thoroughbred tracks of Arlington Park in Illinois, Monmouth Park in New Jersey and on the second jewel of the thoroughbred Triple Crown known as the

Preakness Stakes from the Maryland Jockey Club racetrack, Pimlico Racecourse in Maryland. Arlington Park and Monmouth Park simulcasts may be accepted whenever in accordance with the Racing Law.

Also approved were agreements with the harness tracks of Pocono Downs in Pennsylvania and Scioto Downs in Ohio for the complete year 2000 racing seasons at both harness tracks.

These approvals extend to Suffolk Regional OTB.

14. BUFFALO RACEWAY REQUEST TO IMPORT SIMULCASTS FROM VERNON DOWNS

For entry into the minutes, on May 10, 2000, approval was granted for the request by Buffalo Raceway for the simulcast contract between the in-state harness tracks of Buffalo Raceway and Vernon Downs.

This approval covers the entire year 2000 race meeting at Vernon Downs.

15. NYRA REQUEST TO HOLD PROMOTIONS IN JUNE AT BELMONT

For entry into the minutes, on May 10, 2000, approval was granted for the request by NYRA, dated May 3, 2000, to issue 51,200 wagering vouchers good for one day only at Belmont Park on Father's Day, Sunday, June 18, 2000.

From 11:30 a.m. to 12:30 p.m. at Gate Six at Belmont Park on Sunday, June 18th, a patron with a mystery voucher may be escorted to and from designated windows to redeem that voucher, and do so without paying admission or parking fees. Furthermore, should anyone desire a list of winners, it may be obtained from NYRA by mail request including a self addressed stamped envelope.

The Board also approved the \$60,000 "Belmont Park Summer Handicapping Challenge" to be conducted on the weekend of Saturday, June 24th and Sunday, June 25th.

16. VERNON DOWNS REQUEST TO IMPORT SIMULCASTS FROM VARIOUS LOCATIONS IN 2000

For entry into the minutes, on May 10, 2000, approval was granted for the request by Vernon Downs to import the Hazel Park (Michigan) and the Harrington Raceway (Delaware) simulcast signals whenever permitted under the Racing Law.

Note: While the NYRA thoroughbreds are competing in Saratoga (July 26th through September 4th) the following section of the Racing Law is in effect for

Capital District Regional OTB and Vernon Downs (Saratoga Harness does not conduct afternoon simulcasts during the thoroughbred season):

Section 1016 (2). Harness racing associations or corporations subject to a written agreement with such association's or corporation's representative horsemen's association and off-track betting facilities are hereby authorized to accept wagers and display the signal of up to five out-of-state harness tracks provided that no such signals may be displayed prior to 6:00 post meridian without such track's and the operating thoroughbred track's written approval.

The above means that Vernon Downs (or Capital District Regional OTB) is not allowed to take wagering and display the simulcast from any out-of-state harness race before 6:00 p.m. (while NYRA is at Saratoga) without NYRA's permission. In this specific case, Harrington Raceway conducts race one before 6:00 p.m. Currently, with NYRA operating downstate at Belmont Park, New York City OTB, Nassau OTB, Suffolk OTB, Monticello and Yonkers all begin their Harrington Raceway or Dover Downs simulcasts at 6:00 p.m. or later in order to comply with this section of the Racing Law.

17. YONKERS RACEWAY GREATER WESTCHESTER COUNTY FAIR SCHEDULE

For entry into the minutes, on May 10, 2000, approval was granted for the request by Yonkers Raceway, dated April 24, 2000, to amend its racing schedule during the Greater Westchester County Fair beginning on Thursday, May 25th and concluding on Sunday, June 11th as outlined in their letter.

Despite a walkway for the public through the paddock, the non-public portion of the paddock will remain secure.

18. YONKERS RACEWAY REQUEST TO SIMULCAST SCIOTO DOWNS

For entry into the minutes, on May 10, 2000, approval was granted for the request by Yonkers Raceway, dated April 24, 2000, to import the simulcasts from Scioto Downs, in Ohio. This approval extends throughout the remainder of the year 2000 racing season at Scioto Downs, which is scheduled to end on September 16th.

19. CAPITAL OTB REQUEST TO SIMULCAST FROM HAZEL PARK

For entry into the minutes, on May 10, 2000, approval was granted for the request by Capital OTB to import simulcast harness racing programs from Hazel Park in Michigan. This simulcast may be imported and wagering conducted whenever in accordance with the Racing Law.

This approval further extends to the Catskill and Western Regional Off-Track Betting Corporations.

20. NASSAU OTB REQUEST TO SIMULCAST ATLANTIC CITY RACE COURSE

For entry into the minutes, on May 10, 2000, approval was granted for the request by Nassau OTB, dated April 25, 2000, to simulcast the abbreviated thoroughbred meeting from Atlantic City Racecourse in New Jersey. The Atlantic City simulcasts begin on Sunday, May 21st and conclude on Friday, May 26th.

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

21. FINGER LAKES REQUEST TO SIMULCAST TO WESTERN OTB

For entry into the minutes, on May 12, 2000, approval was granted for the new agreement between the Finger Lakes Racing Association and the Western Regional Off-Track Betting Corporation.

This agreement covers the remainder of the year 2000 racing season at Finger Lakes.

22. CAPITAL OTB REQUEST FOR CONTINUANCE OF AGREEMENT WITH SARATOGA HARNESS

For entry into the minutes, on May 12, 2000, approval was granted for the request by Capital OTB for an extension, with modification, of the Saratoga Harness contract with the Capital District Regional Off-Track Betting Corporation extending through December 31, 2002 and including branches, E-Z Bet locations, teletheater and in-home simulcast provisions.

23. FINGER LAKES REQUEST TO CHANGE POST TIME ON FRIDAYS

For entry into the minutes, on May 15, 2000, approval was granted for the request by Finger Lakes for a revised first post of 12:45 p.m. on Fridays only.

24. NYRA REQUEST TO APPOINT NEW BOARD OF TRUSTEE MEMBER - SANTULLI

For entry into the minutes, on May 15, 2000, approval was granted for the request by NYRA for the election to the NYRA Board of Trustees of Richard T. Santulli, Chairman and Chief Executive Officer of Executive Jet, Inc.

25. NYRA REQUEST TO APPOINT NEW BOARD OF TRUSTEE MEMBER - STEINBRENNER

For entry into the minutes, on May 15, 2000, approval was granted for the request by NYRA for the election to the NYRA Board of Trustees of George M. Steinbrenner, III, principal owner of the baseball team known as The New York Yankees.

26. BUFFALO RACEWAY REQUEST TO SIMULCAST MONMOUTH PARK AND SCIOTO DOWNS

For entry into the minutes, on May 16, 2000, approval was granted for the request by Buffalo Raceway to import simulcasts from Monmouth Park in New Jersey through September 3rd and from Scioto Downs in Ohio during their year 2000 harness season.

The Monmouth Park approval is valid whenever permitted under the Racing Law. Upon the start of the year 2000 NYRA-Saratoga race meeting on July 26th, Section 1015 of the Racing Law is in effect. During the NYRA-Saratoga race meeting, afternoon thoroughbred simulcasts are available only on Tuesdays, generally known as NYRA-Saratoga "dark days" or as a "bridge" signal permissible upon the conclusion of the last in-state New York thoroughbred race.

27. NYRA REQUEST TO ADD TO ROSTER OF RACING OFFICIALS - BAEZA, JR.

For entry into the minutes, on May 17, 2000, approval was granted for the request by NYRA to add Braulio Baeza, Jr. to the NYRA roster of racing officials for the year 2000 as a Racing Official and Alternate Placing and Patrol Judge.

28. NYRA REQUEST TO DESIGNATE RACES OF SPECIAL INTEREST

For entry into the minutes, on May 17, 2000, approval was granted for the request by NYRA to add as designated special events, the Lone Star Park Handicap from Lone Star Park on May 29th, the New Hampshire Sweeps from Rockingham Park on June 24th and the Queen's Plate Stakes from Woodbine on June 25th.

In accordance with Section 905-a of the Racing Law, the Board may designate forty-seven (47) special events each calendar year. The initial twelve events have been completed and among the subsequent thirty-five races, seven have now been designated leaving room for twenty-eight more "designated special events" during the year 2000.

29. VERNON DOWNS REQUEST TO OFFER PROMOTIONS FOR PREAKNESS STAKES

For entry into the minutes, on May 18, 2000, approval was granted for the request by Vernon Downs to conduct a year 2000 Preakness Stakes promotion on the afternoon of Saturday, May 20th.

Vernon Downs is not charging any fee whatsoever to enter this promotion.

30. CAPITAL OTB REQUEST TO CLOSE BRANCH - CHAMPLAIN

For entry into the minutes, on May 18, 2000, approval was granted for the request by Capital OTB to close the Clinton County off-track betting facility generally known as the "Champlain" branch of Capital OTB.

31. NASSAU OTB REQUEST TO SIMULCAST FROM PRESCOTT DOWNS

For entry into the minutes, on May 19, 2000, approval was granted for the request by Nassau OTB, dated May 17, 2000 to import the simulcast from the thoroughbred track known as Prescott Downs in Arizona during the year 2000 beginning on or after May 27th and whenever permitted under the Racing Law.

This approval extends to Suffolk Regional OTB.

32. BUFFALO RACEWAY REQUEST TO CANCEL LIVE RACING ON THURSDAYS

For entry into the minutes, on May 23, 2000, approval was granted for the request by Buffalo Raceway to cancel all five scheduled Thursday race programs during the month of June in the year 2000.

Thursday racing will again resume during the month of July 2000.

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

1. NYRA REQUEST FOR RENOVATIONS AT BELMONT

For entry into the minutes, on May 11, 2000, the Board approved the request by NYRA for the issuance of a permit, pursuant to Section 239 of the Racing, Pari-Mutuel Wagering & Breeding Law, for the renovation of two mutuel bays to be located on the first floor grandstand and first floor clubhouse at Aqueduct Racetrack. This permit was issued pursuant to the April 13, 2000 request and the May 5, 2000 letter summarizing the project's cost and use of in-house labor.

2. INTERNATIONAL GAMING SYSTEMS, LLC REQUEST TO APPROVE ELECTRONIC BINGO AID

For entry into the minutes, on May 19, 2000, approval was granted for the request by International Gaming Systems, LLC for authorization for the use of the Cadillac Bingo System as an electronic bingo aid in New York State.

International Gaming Systems will abide by Board requirements for accountability and practical use.

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

1. IN THE MATTER OF NORBERTO ARROYO, JR.

The Board adopted Hearing Officer Dranichak's recommendation that Mr. Arroyo be found to have violated Board Rule 4035.2 in the third race on February 24, 2000 and that the ten (10) day suspension be affirmed. The Board also ordered that the matter be referred to the Office of Counsel to determine if any additional proceedings are warranted with regard to a "frivolous" appeal.

2. IN THE MATTER OF DANIEL J. DYLO

The Board adopted Hearing Officer Dranichak's recommendation that the eight-day suspension for violation of Board Rule 4117.4(b) in the stretch in the eighth race at Buffalo Raceway on February 12, 2000 be confirmed.

3. IN THE MATTER OF MICHAEL S. FERRARO

The Board adopted Hearing Officer Brittell's recommendation with one additional finding: the results of the specific gravity test as testified by Dr. George Maylin confirmed that the lasix was present in the horses' systems and therefore disproved the likelihood that the lasix overages resulted from a hypothetical residue of lasix at the injection sites.

1. The imposition of the \$500.00 fine for violation of Board Rule Section 4043.2(b)(6) and Section 4043.4 on 9/14/98 is hereby confirmed.

2. The imposition of the \$1,000 fine for violation of Board Rule Section 4043.2(b)(6) and 4043.4 on 11/1/98 and the resulting disqualification of the horse "KANPAI" are hereby confirmed.

3. The \$50 fine imposed for failure to meet with the stewards be rescinded.

4. FINGER LAKES REQUEST TO WITHDRAW FROM CIF - \$292,318.15

The Board approved \$278,283.55 from the April 12, 2000 request to withdraw \$292,318.15 from the Capital Improvement Fund. In addition it denied \$4,137.78 of the submitted expenditures and has deferred \$9,896.82 until additional support documentation is submitted.

Backstretch & Barns – 56%

Barns Roofs

\$136,232.47

Fire Alarm System (Barn Area)	13,301.17
Kitchen Equipment (Horsemen' s Kitchen)	9,982.96
Work Shed 12' x 12' (Workshop For Blacksmith)	1,578.25
Benches(Jockey Room)	1,334.29
Trees (Barn Area)	700.85
Electric Panel (Barn Area)	<u>569.64</u>
Total	

General & Administrative -28%

(3) Photo Copiers	\$40,141.05
Electric Meters In barns	17,232.52
Y2-K upgrades	2,700.00
Computer (Horsemen' s Bookkeeper)	2,212.14
Printer (Horsemen' s Bookkeeper)	2,161.72
Air Conditioning (Crows Nest)	1,948.00
Portable Radio (Security)	1,665.83
Computer (Publicity Director)	<u>913.68</u>
Sub-Total	
Sales Tax from NYS Sales Tax Audit	9,896.82
Interest levied by NYS Tax and Finance	<u>2,818.63</u>
Total	<u>\$81,690.39</u>

Patron Areas & Services -16 %

Concession Stands Renovations	\$17,262.17
Concession Areas Food Equipment	
Char-Broiler	8,521.63
Fryer	3,257.08
Refrigerator	1,537.78
Exhaust Hood	1,296.50
Pizza Oven	976.91
Cash Drawers	320.98
Benches (Refurbish)	6,877.60
Folding Tables	1,001.06
Electric panel (Grandstand Area)	2,471.42
Paving	2,430.00
Painting	<u>975.00</u>
Total Patron Areas & Services	<u>\$46,928.13</u>
Total Application	<u>\$292,318.15</u>

5. YONKERS RACEWAY REQUEST TO CHANGE POST TIME

The Board approved the request by Yonkers Raceway, dated May 19, 2000, to change their post time on all Fridays beginning on June 16th and ending on July 21st from 7:40 p.m. to 12 noon.

6. REQUEST TO EXTEND PERIOD OF TIME OTB' S HAVE TO ISSUE MONTHLY REPORTS

The Board approved an extension for the filing of monthly reports by the Off-Track Betting Corporations. This action, pursuant to Racing Law Section 524 (4), will allow OTB Corporations to file monthly reports 45 days after the end of each month. This will remain in effect through the end of the 2000 calendar year.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. CAPITAL OTB TELETHEATER RENOVATIONS - 10/99-08-E

New renovations to all interior areas of the entire complex have been ongoing for over a year. Also, the lounge (Scoreboard) will include a "niteclub" operated by the Board approved concessionaire, Michael Verdile. The name of the "niteclub" will be "Sneaky Pete's".

2. VERNON DOWNS ANNUAL FACILITY INSPECTION - 05/00-33-E

Annual CIF inspection was conducted on 4/28/00 pursuant to Section 319 (2)(b) of the Racing Law.

The meeting was adjourned at 12:15 p.m.