

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF MAY 3, 2002

A meeting of the New York State Racing and Wagering Board was held on Friday, May 3, 2002 at 10:00 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 10:05 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Sheila Osterhout, Secretary to the Board

Robert Feuerstein, General Counsel

Gregg Schreffler, Chief of Audits & Investigations

Joe Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Denise Poole, NYSR&WB

Steve Bochnak, NYS Assembly

Giorgio DeRosa, Bolton-St Johns Inc.

OPEN COMMENT PERIOD: No comments were made.

A. The Board approved the minutes of the Board meetings held on April 1st and April 2, 2002.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. MONTICELLO RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS IN 2002

For entry into the minutes, on March 29, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of simulcasts from the Plainridge Racecourse in Massachusetts during the calendar year 2002.

* For entry into the minutes, on April 12, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of simulcast signals from Finger Lakes and Vernon Downs upon the start of their year 2002 racing seasons.

* For entry into the minutes, on April 23, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of simulcasts from the Churchill Downs, Inc. owned racetracks of Arlington Park, Churchill Downs (through July 7th only), Calder Race Course, Ellis Park, Hoosier Park and Hollywood Park (through July 21st only) during the calendar year 2002 and whenever applicable under the Racing Law.

Also approved was the year 2002 simulcast contract with the thoroughbred racetrack known as Delaware Park in Stanton, Delaware.

Should Monticello Raceway desire to continue with Churchill Downs during their scheduled Fall meet of October 27th through November 30th, a new permission letter from the Kentucky Division of the H.B.P.A. must be filed with the Board.

Should Monticello Raceway desire to continue with Hollywood Park during their scheduled Fall meet of November 6th through December 22nd, a new permission letter from the Thoroughbred Owners of California (TOC) must be filed with the Board.

* For entry into the minutes, on April 26, 2002, approval was granted for the request by Monticello Raceway to amend their simulcast plan of operation enabling the import of simulcasts from Harrington Raceway in Delaware and from Scioto Downs in Ohio.

This approval is valid for the entire year 2002 racing season of each harness track.

2. YONKERS RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS FOR 2002

For entry into the minutes, on March 29, 2002, approval was granted for the request by Yonkers Raceway to amend their simulcast plan of operation enabling the import of the Pocono Downs harness simulcast signal from Pennsylvania. This approval is valid throughout the entire year of 2002.

In conjunction with the Board' s policy of approving contracts providing for the export of a New York signal to any recurring out-of-state sites (not new or located in contiguous states), the Board acknowledges the Yonkers Raceway export of its simulcast to Beulah Park in Ohio.

* For entry into the minutes, on April 23, 2002, approval was granted for the request by Yonkers Raceway to amend their simulcast plan of operation enabling the import of simulcast signals from the in-state harness racetrack known as Vernon Downs and from Hazel Park in Michigan.

3. NASSAU OTB REQUEST FOR VARIOUS SIMULCAST LOCATIONS FOR 2002

For entry into the minutes, on March 29, 2002, approval was granted for the request by Nassau OTB to amend their simulcast plan of operation enabling the import of simulcasts from the thoroughbred racetracks known as Bay Meadows in California, Delaware Park in Delaware, Keeneland Race Course in Kentucky, Lone Star Park in Texas, the Maryland Jockey Club racetrack (Pimlico Race Course) in Maryland, Prairie Meadows in Iowa, River Downs in Ohio and the harness racetracks known as Harrington Raceway in Delaware and Hazel Park in Michigan.

The horsemen and commission approvals from California, relative to the Bay Meadows meeting, extend through June 16th only and new permission letters must be secured from each in order to continue with Bay Meadows' simulcasting later in the year 2002.

This approval also applies to Suffolk Regional OTB.

* For entry into the minutes, on April 9, 2002, approval was granted for the request by Nassau OTB, dated March 30, 2002, to amend their simulcast plan of operation enabling the import of simulcasts and the conduct of wagering on the thoroughbred tracks located in the state of Michigan at Great Lakes Downs and from Emerald Downs in Washington.

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 April 26, 2002, approval was granted for the request by Nassau OTB to amend their simulcast plan of operation enabling the import of the simulcast of The Preakness Stakes from Baltimore, Maryland' s Pimlico Racetrack on Saturday, May 18th .

This approval extends to Suffolk Regional OTB as well.

* For entry into the minutes, on May 1, 2002, approval was granted for the request by Nassau OTB to amend their simulcast plan of operation enabling the import of simulcast signals from the thoroughbred track known as Thistledown and the harness racetrack known as Scioto Downs, both located in the State of Ohio.

These approvals further extend to Suffolk Regional OTB.

4. BUFFALO RACEWAY REQUEST TO OFFER HANDICAPPING CONTEST

For entry into the minutes, on April 5, 2002, approval was granted for the request by Buffalo Raceway to amend their plan of operation by offering a promotional no-fee handicapping contest entitled the “ Pick Six Handicapping Contest” .

This contest is to be administered in accordance with the rules as submitted to the Racing and Wagering Board.

5. FINGER LAKES REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on April 9, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the exportation of their simulcast in-state to Buffalo Raceway, Monticello Raceway and to the Suffolk Regional Off-Track Betting Corporation.

In addition, approval is granted to export the Finger Lakes simulcasts to the contiguous states of Massachusetts, New Jersey and Pennsylvania. The specifically approved exports are to Plainridge Racecourse, a harness track in Massachusetts; the two New Jersey Sports & Exhibition Authority racetracks known as the Meadowlands & Monmouth Park; and to the Meadows, a harness track in Pennsylvania and its named satellites (OTBs) during the year 2002 Finger Lakes Racing season.

Also acknowledged by the Board are renewal contracts with Wheeling Downs, the Choctaw

Racing Services and Remington Park, all of which will again receive the Finger Lakes simulcasts during the year 2002 racing season. These sites are all approved under the Board' s policy of requiring export contracts that are “ new” , contracts to in-state or contiguous state sites, or import contracts to be filed with the Board on a yearly basis.

* For entry into the minutes, on April 9, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the exportation of their simulcast to the Wichita Greyhound Park in Valley Center, Kansas during the year 2002 Finger Lakes racing season.

* For entry into the minutes, on April 12, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the exportation of the daily Finger Lakes simulcast in-state to the Yonkers Raceway and to the New York City Regional Off-Track Betting Corporation during the year 2002 Finger Lakes racing season.

Also approved was the agreement with the new Finger Lakes customer, Tri-State Greyhound Racetrack and Gaming Center of West Virginia.

* For entry into the minutes, on April 23, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the export of simulcasts to Philadelphia Park in Pennsylvania, including its satellite locations as named in the application.

This approval is valid throughout the year 2002.

* For entry into the minutes, on April 23, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the export of simulcasts to Mountainview Thoroughbred, which includes Penn National, Pocono Downs and their associated OTBs along with Charles Town Races.

Also approved is the agreement with Dover Downs, effective immediately.

* For entry into the minutes, on April 23, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the export of simulcasts to Evangeline Downs in Louisiana, including its satellite locations as named in the application.

This approval is valid throughout the year 2002.

* For entry into the minutes, on April 26, 2002, approval was granted for the request by Finger Lakes to amend their simulcast plan of operation enabling the export of simulcasts to Northfield Park in Ohio.

This approval is valid throughout the year 2002.

6. FINGER LAKES REQUEST FOR ROSTER OF RACING OFFICIALS

For entry into the minutes, on April 9, 2002, approval was granted for the request by Finger Lakes for the year 2002 track officials at Finger Lakes Racetrack as required under Board Rule 4005.1 – “ Commission approval required” , with the exception of Ramon Umana.

Dr. Umana is not currently licensed by the State Board of Education to practice veterinary medicine in the State of New York.

7. FINGER LAKES REQUEST TO OFFER PROMOTIONS FOR 2002

For entry into the minutes, on April 9, 2002, approval was granted for the request by Finger Lakes to conduct a drawing on opening weekend for a trip to the 2002 Kentucky Derby per submitted contest rules. No admittance fee to the racetrack is required to enter the contest.

Additionally, the Board approved the handicapping contest to be conducted May 4th and 18th, June 8th, 9th, July 14th, August 18th and September 15th on the “ live” Finger Lakes races. There is no entry fee for the prizes for this contest. All winners will be notified by mail and a list of winners must be made available to the general public.

Also approved are the Triple Crown race day promotions and the “ Cash Cube” promotions per the submitted rules.

The promotions as presented for “ Senior Days” , “ Lunch Run” , “ Direct Mail Offers (as indicated)” , various “ Glass Giveaways” , “ Run for the Lilacs” , “ Tumbler Giveaways” , “ Old Fashioned Days” and “ Season Pass” sales are acknowledged and do not require the approval of the Racing and Wagering Board.

8. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on April 9, 2002, approval was granted for the request by Saratoga

Harness to amend their simulcast plan of operation enabling the import of simulcasts from Bay Meadows Operating Company, Churchill Downs, Inc., Delaware Park, Keeneland Racing Association, Sportsman' s Park and Hazel Park for part or all of the year 2002.

The federally required letters of permission from the California Horse Racing Board and the Thoroughbred Owners of California allow the Bay Meadows simulcast through June 15, 2002 only and the Hollywood Park simulcasts (under the Churchill contract) through July 21st only.

Also, the federally required letter of permission from the Kentucky Thoroughbred Association applies only to the Churchill meeting ending on July 7th and to the Spring Keeneland thoroughbred meeting only, which ends on April 27th.

To continue the contracts later in 2002 with Bay Meadows, Hollywood Park (through the Churchill Downs contract) and Keeneland Race Course, new federally required letters of permission must be filed with the Board.

9. BUFFALO RACEWAY REQUEST FOR VARIOUS SIMULCAST LOCATIONS FOR 2002

For entry into the minutes, on April 12, 2002, approval was granted for the request by Buffalo Raceway to amend their simulcast plan of operation enabling the import of thoroughbred simulcasts from the Spring meeting at Keeneland Race Course in Kentucky and from the harness racetrack known as Scioto Downs in Ohio.

The federally required permission letters for the Keeneland simulcasts to take place specify the Spring meet only. New letters for the scheduled Fall Keeneland race meeting must be filed with the Board prior to the opening of the Fall meet.

* For entry into the minutes, on April 25, 2002, approval was granted for the request by Buffalo Raceway to amend their simulcast plan of operation enabling the import of thoroughbred simulcasts from Churchill Downs in Louisville, Kentucky during the year 2002.

10. FINGER LAKES REQUEST FOR ADDITIONAL RACING OFFICIAL FOR 2002 - NASH

For entry into the minutes, on April 12, 2002 , approval was granted for the request by Finger Lakes for the addition of Dr. David M. Nash as a year 2002 track official (track veterinarian) as required under Board Rule “ 4005.1 – Commission approval required” .

This approval is condition upon the mandatory background check by the Board producing no

derogatory information.

11. SARATOGA HARNESS REQUEST TO CHANGE POST TIME

For entry into the minutes, on April 12, 2002, approval was granted for the request by Saratoga Harness to amend their plan of operation enabling an April 2002 post times of 12:30 p.m.

Also approved is the request to change the first post time for live Saratoga Harness racing on Kentucky Derby Day, May 4th to 3:00 p.m.

12. VERNON DOWNS REQUEST TO OFFER PROMOTIONS

For entry into the minutes, on April 12, 2002, approval was granted for the request by Vernon Downs to amend their plan of operation enabling a newspaper coupon promotion entitling a customer to exchange the free daily double coupon for one two-dollar daily double wager on Friday, May 3, 2002 only.

The Board also acknowledged the food, drinking glass, free admission and program promotions listed on the request. None of these promotions require specific Board approval.

13. NEW YORK CITY OTB REQUEST TO SIMULCAST FINGER LAKES

For entry into the minutes, on April 12, 2002, approval was granted for the request by New York City OTB to amend their simulcast plan of operation enabling the import of thoroughbred simulcasts from the in-state racetrack known as Finger Lakes during the year 2002.

This approval is effective with the start of the year 2002 Finger Lakes racing season on Saturday, April 13th.

14. NYRA REQUEST TO DESIGNATE RACES OF SPECIAL INTEREST

For entry into the minutes, on April 23, 2002, approval was granted for the request by NYRA to designate two out-of-state thoroughbred events emanating from the State of Texas during the month of May as “ special events” .

Approved as having “ special event” status by the Board are the following Grade III stakes races:

5/11 Lone Star Derby

5/27 Lone Star Park Handicap

15. VERNON DOWNS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2002

For entry into the minutes, on April 23, 2002, approval was granted for the request by Vernon Downs to amend their simulcast plan of operation enabling the import of simulcasts from Bay Meadows in California through June 16th per the permission letter from the Thoroughbred Owners of California (TOC).

Also approved are the import of simulcasts from Suffolk Downs in Massachusetts and from Harrington Raceway in Delaware during the year 2002 and whenever permitted by the Racing Law.

To continue with the simulcasts from Bay Meadows past June 16th, a new federally required letter of permission must be filed with the Board.

16. YONKERS RACEWAY REQUEST TO CANCEL DATES IN MAY

For entry into the minutes, on April 23, 2002, approval was granted for the request by Yonkers Raceway to amend their plan of operation enabling the cancellation of the first four scheduled Thursdays of live racing programs during the month of May 2002, as well as the Wednesday of May 29th.

A live program will be conducted on Thursday, May 30th.

17. NEW YORK CITY OTB REQUEST TO OFFER TRIPLE CROWN SWEEPSTAKES

For entry into the minutes, on April 25, 2002, approval was granted for the request by New York City OTB to conduct a contest, in conjunction with the newspaper known as The New York Post, on the year 2002 Triple Crown Races (the Kentucky Derby, the Preakness Stakes and the Belmont Stakes) as per the submitted rules.

Since the value of the prizes available to the winners of this contest is greater than \$5,000, this contest requires registration as a sweepstakes with the New York State Secretary of State. In

addition, proof of such filing must be forwarded to the Board immediately upon receipt.

Should any prize winner from this contest be awarded a New York City OTB telephone betting account and reside outside of New York State, any wagers made using this new telephone account must be made within New York State.

This approval is effective upon the forwarding to the Board the proof of such registration with the New York State Secretary of State.

18. FINGER LAKES REQUEST FOR ROSTER OF RACING OFFICIALS - OHLINGER

For entry into the minutes, on April 9, 2002, approval was granted for the request by Finger Lakes for the addition of Dr. Margaret Brooks Ohlinger as a year 2002 track official (track veterinarian) as required under Board Rule “ 4005.1 – Commission approval required” .

The approval is conditioned upon the mandatory background check by the Board produces no derogatory information.

19. VERNON DOWNS REQUEST FOR ADDITION OF SUPERFECTA & PICK FOUR WAGERING

For entry into the minutes, on May 1, 2002, approval was granted for the request by Vernon Downs to amend their plan of operation enabling a new pick four wager on races six, seven, eight and nine.

This new wager will replace the currently approved pick three wager on races six, seven and eight.

Also approved is the addition of a third Superfecta wager. This wager is to be offered in conjunction with race two on each day’ s racing program, field size permitting.

The harness pick four wager is approved pursuant to Rule 4122.46.

20. WESTERN OTB REQUEST FOR PROMOTIONS - KENTUCKY DERBY

For entry into the minutes, on May 1, 2002, approval was granted for the request by Western Regional OTB to amend their plan of operation enabling the Kentucky Derby Day promotional

giveaways at all branches as outlined in the request, dated April 16, 2002.

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

APPROVED 1. IN THE MATTER OF MICHAEL R. SIGNORE

05/02-01-D Request to summarily suspend the harness owner/trainer/driver

May 1, 2002 license of Michael R. Signore for testing positive for marijuana on April 16, 2002 at Saratoga Harness.

The public safety and welfare imperatively require this emergency action. The suspension would remain in effect pending further disposition by the Board after a hearing.

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

1. IN THE MATTER OF BRUCE MASTROBATTISTA

The Board approved Hearing Officer Baller' s recommendation that the harness groom license of Bruce Mastrobattista be revoked for violation of Board Rule 4119.11 as a result of a positive test for the drug marijuana, based upon a sample collected from the licensee on November 6, 2001 at Yonkers Raceway.

2. IN THE MATTER OF STEPHEN SCOFIELD

The Board approved Hearing Officer Baller' s recommendation that the decision of the Presiding Judge at Monticello Raceway to impose a fine of \$200 for violating Section 4119.1, in that Mr. Scofield failed to conduct himself in a gentlemanly manner on September 3, 2001 while present on the grandstand apron at Monticello Raceway, be affirmed.

3. BUFFALO RACEWAY REQUEST TO WITHDRAW FROM CIF - \$18,553.48

The Board approved the request by Buffalo Raceway to withdraw \$18,553.48 from their Capital Improvement Fund for reimbursement of capital improvements.

Backstretch (18%)

(2) Hot Water Tanks – Barns 13 & 14
\$1,722.48

Heat/Air Unit for Horsemen' s Trailer
1,692.00

Total Backstretch \$3,414.48

Other (82%)

ARIS Display system
\$3,429.00

1990 Buick Skylark for Security
800.00

1987 Chevrolet 4x4 Plow Truck 4,500.00

(14) Sharp 13" Color TV' s 1,589.00

Proliant Server w/ Firewall 4,440.00

Backup Exec and Data Cart for Server 381.00

Total Other \$15,139.00

Total Approved
\$18,553.48

4. SARATOGA HARNESS REQUEST TO WITHDRAW FROM CIF - \$89,343.12 (69,064.81 + 20,278.31)

The Board approved the request by Saratoga Harness to withdraw \$89,343.12 from its Capital Improvement Fund for reimbursement of capital improvements (\$69,064.81) and advertising and promotion expenditures (\$20,278.31).

Capital Improvements

Backstretch (100%)

2001 International Refuse Truck
\$93,238.05

Total Amount Requested[1]

\$69,064.81

Advertising Expenditures

Amount Available

On-Track Handle
\$ 4,245,214

½ of 1%
0.005

Total Amount Available
\$21,226.07

Radio

\$ 14,875

Television

8,942

Total Cost of Expenditures
23,817

Total Amount Requested

\$ 20,278.31

Amount Remaining

\$ 947.76

Total Request

Capital Improvement Expenditures \$69,064.81

Advertising and Promotion Expenditures 20,278.31

Total Recommended Approval \$89,343.12

5. SYRACUSE MILE TRACK LICENSE APPLICATION FOR 2002

The Board deferred the Syracuse Mile year 2002 track license application pending the licensing of one of its operators, Mid-State Raceway (Vernon Downs) for the calendar year 2002.

6. WESTERN OTB REQUEST TO APPOINT NEW BOARD OF DIRECTOR - SEGER

The Board approved the appointment of Mr. Robert Loy Seger to the Western Regional Off-Track Betting Corporation's Board of Directors. Mr. Seger replaces Richard P. Winter as the County of Niagara representative on the Western OTB board.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. GAMES OF CHANCE – BINGO REGISTRATION NUMBERS – MARCH/APRIL - 04/02-18-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between March 21, 2002 - April 25, 2002.

2. GAMES OF CHANCE – BELL JAR TICKETS – MARCH/APRIL - 04/02-19-E

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between March 21, 2002 - April 25, 2002.

3. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS - MARCH/APRIL - 04/02-12-E

List of manufacturers/suppliers licensed for 2002, by the Charitable Gaming Unit, between March 21, 2002 - April 25, 2002.

4. NYTHA 2001 FINANCIAL STATEMENTS – AQUEDUCT - 04/02-16-E

Staff reviewed NYTHA' s financial statements for the 2001 Aqueduct Fall meet in accordance with Rule 4003.51.

The meeting was adjourned at 10:22 a.m.

[1] Saratoga Harness requested reimbursement of 74% of the total cost of the truck. Since the truck is used partly by Saratoga Organic, a non-racing related entity, staff agrees with the valuation.