

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF DECEMBER 28, 2005

A meeting of the New York State Racing and Wagering Board was held on Wednesday, December 28, 2005 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 10:21 a.m.

In Attendance Were:

Cheryl Buley, Acting Chairwoman

Michael J. Hoblock, Jr., Member

John Cansdale, Executive Director

Gail Pronti, Secretary to the Board

Robert Feuerstein, General Counsel

Thomas Casaregola, Director of Audits & Investigations

Joseph Lynch, Chief of Racing Operations

Also in Attendance Were:

Vivian Davis, NYSR&WB

Daniel Toomey, NYSR&WB

Kristen Buckley, NYSR&WB

James Kellogg, NYSR&WB

Kevin Molloy, Suffolk OTB

Paul D'Onofrio, Monticello Raceway

Donald Matusik, Capital OTB

Laura Tumblan, NYRA

Judy Sanders, Channel 6 News

OPEN COMMENT PERIOD: Began at 10:02 a.m.

Paul D'Onofrio spoke on behalf of Monticello Raceway with regards to items D-16 & 17, Monticello Raceway's Track and Simulcast License Applications for 2006, and how the new proposed Horsemen's Contract Rule are affecting negotiations for their Horsemen's contract. The following is a summary of his remarks:

Mr. D'Onofrio stated that Monticello Raceway has tried and continues to make good faith efforts by trying to negotiate with the Monticello Horsemen in order to reach an agreement on a contract. Further, Mr. D'Onofrio stated that if the RWB's proposed Horsemen's Contract rule goes through, the horsemen think that they will get everything that they want. As a spokesman for Monticello, he asked that the Board not hold up their licensing because they cannot come to an agreement on a Horsemen's contract. Member Hoblock asked what the main issue was blocking their negotiations. Mr. D'Onofrio replied that the VLT issue was the main problem. He stated that not only has Monticello been bargaining in good faith for 18 months, they offered the Horsemen 1 million dollars and have paid the Horsemen's medical insurance premiums. He also stated that the horsemen can't seem to understand that right now Monticello is the only racing facility for 12 to 13 million people, their VLTs are doing very well and the horsemen want more of the revenues for themselves. Once Yonkers Raceway is up and running, a lot of that VLT revenue from Monticello will be lost to Yonkers. The Horsemen have said that they may seek to terminate export of simulcasts from Monticello. Monticello has come a long way, from when it was purchased, to being a state-of-the-art facility that it is today, producing more revenue than any other track in the State.

Comments ended 10:17 a.m.

A. The Board approved the minutes of the Board meeting held on December 15, 2005.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIR.

1. FINGER LAKES RACE TRACK – REQUEST TO SIMULCAST VARIOUS LOCATIONS

For entry into the minutes, on December 9, 2005, the New York State Racing and Wagering Board approved an amendment to the Finger Lakes simulcast plan of operation enabling the import of the simulcast signals and wagering there upon from the thoroughbred racetrack known as Tampa Bay located in Oldsmar in the State of Florida

during its upcoming 2005-06 race meeting scheduled to begin on Saturday, December 10, 2005. This simulcast may be utilized whenever in compliance with the Racing Law.

2. MONTICELLO RACEWAY – REQUEST TO AMEND SIMULCAST PLAN OF OPERATION

For entry into the minutes, on December 7, 2005, the New York State Racing and Wagering Board approved the Monticello Raceway request to amend its simulcast plan of operation by addendum to a previously approved agreement with The Racing Channel, Inc. This addendum provides for TRN International, Inc. to be a recipient of the Monticello Raceway simulcasts for distribution in the United Kingdom, the Netherlands and in Ireland and to conduct separate pool wagering on the Monticello Raceway simulcasts.

3. MONTICELLO RACEWAY – REQUEST TO AMEND SIMULCAST PLAN OF OPERATION

For entry into the minutes, on December 7, 2005, the New York State Racing and Wagering Board approved the amendment to the Monticello Raceway simulcast plan of operation by an addendum to an existing contract enabling the export of the simulcast signal from Monticello Raceway for use by ODS Technologies, L.P. d/b/a Television Games Network (TVG). This approval is conditioned on the fact that there be no wagering through ODS/TVG emanating from within New York State. In the event that such wagering occurs and/or the TVG wagering aspect of this plan is implemented within New York State through the NTRA Services, L.L.C. hub, this approval is rescinded.

The Monticello Raceway video signal may also be used for wagering purposes through TVG only in states *other than* New York State at this time. This does not constitute an approval of the submitted contract in total.

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

None.

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

1. NYRA – THOROUGHBRED RACING DATES FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board approved the New York Racing Association's (NYRA) application for 84 of the 257 racing programs requested among the three NYRA racetracks for the year 2006.

The Board approved the dates for the Aqueduct Race Track Winter-Spring race meeting from January 1 through April 30, 2006 only.

The remainder of NYRA's race meetings for Aqueduct, October 25 through December 31 (Fall); for Belmont Park, May 3 through July 22 (Spring) and September 8 through October 22 (Fall); and the Saratoga Race Course dates of July 26 through September 4 were deferred to the March 2006 Board meeting.

2. IN THE MATTER OF THE PROTEST OF THE STEWARDS' FAILURE TO DISQUALIFY "UNRULY SAINT"

The New York State Racing and Wagering Board upheld Hearing Officer Russell H. Baller, Jr.'s recommendation that the appeal of the owner/trainer of "UNRULY SAINT" from the decision of the stewards at Finger Lakes Race Track not to disqualify SOUTHERNCHECKPOINT," based on alleged interference with "UNRULY SAINT," be dismissed on the ground that such placement decisions are not reviewable.

3. ADOPTION – PICK FOUR WAGER RULE

The New York State Racing and Wagering Board approved the adoption (as a consensus rulemaking) of the Pick Four Wager rule for thoroughbred racing as well as for clarification of procedures for money ties among betting entries in a Pick Four Wager for harness racing.

4. ADOPTION – GRAND SLAM WAGER RULE

The New York State Racing and Wagering Board approved the adoption (as a consensus rulemaking) of the Grand Slam Wager for thoroughbred racing.

5. CAPITAL DISTRICT OTB – REQUEST FOR APPROVAL OF CASHCARDS

On December 28, 2005, the New York State Racing and Wagering Board granted temporary conditional approval of the Capital District Regional Off-Track Betting Corporation's (CDROTB) general use of Capital CashCards at the OTB's Teletheater facility through March 31, 2006 only. The approval is conditioned on the following:

1. CDROTB will forward a copy of the anticipated FinCEN opinion when received.

2. If FinCEN finds CDROTB to be an MSB or otherwise subject to FinCEN regulations, CDROTB immediately comply with all necessary regulations, including the adoption of an AML program (if applicable).
3. CDROTB seek an opinion from the Comptroller requesting whether inactive CashCards escheat to the State or agree to abide by the opinion NYRA has requested when it issued.

This conditional approval is for the OTB Teletheater location only and will expire at midnight on March 31, 2006. A further application must be submitted on a timely basis if CDROTB intends on continuing with the use of Capital CashCards at the OTB's Teletheater facility after March 31, 2006. If CDROTB intends on offering the CashCard system at other locations, an application requesting approval for each location must be submitted to the Board for approval.

6. CAPITAL OTB SIMULCAST LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board deferred action on the Capital District Regional Off-Track Betting Corporation's simulcast license application for 2006 pending:

- Receipt of copies of the actual inspection or a letter from the appropriate local official stating that a fire inspection was actually performed at all branches and that there were no violations.
- Clarification of ITSP software used and extension of contract agreement with Roberts Communication or contract with new vendor.
- Verification that Capital is in compliance with the Board directive on bet cancellations and with the policy that no cancellations are permitted after the start of a race.
- Clarification of the answer to question 13b on "day accounts."

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

Capital OTB will remain operational on the continuing rights of the 2005 simulcast license. Such 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, including:

- a) An SAS- 70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.

7. CATSKILL REGIONAL OTB SIMULCAST LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board approved the Catskill Regional Off-Track Betting Corporation's simulcast license application for 2006.

The 2006 simulcast license is 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, including:
 - a) An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.
 - b) Submit 2006 fire inspection documentation for the following (10) branches:

[Arlington \(Poughkeepsie\)](#)

[Elmira \(Horseheads\)](#)

[Fishkill \(Town of Wappinger\)](#)

[Kingston](#)

[Middletown](#)

[Monroe](#)

[Nimmonsburg \(Town of Chenango\)](#)

[Norwich \(Chenango County\)](#)

[Port Jervis](#)

[Waverly](#)

8. NASSAU DOWNS OTB SIMULCAST LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board approved the Nassau Regional Off-Track Betting Corporation's simulcast license application for 2006.

The 2006 simulcast license is 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, including:
 - a) An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.

9. NEW YORK CITY OTB SIMULCAST LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board deferred action on the New York City Off-Track Betting Corporation's simulcast license application for 2006 pending further staff review of matters concerning the SAS-70 Type II Report for 2005 and NYC OTB's financial position.

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

NYC OTB will remain operational on the continuing rights of the 2005 simulcast license. Such 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, including:
 - a) Receipt of fire inspection reports on an ongoing basis.

10. SUFFOLK REGIONAL OTB SIMULCAST LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board approved the Suffolk Regional Off-Track Betting Corporation's simulcast license application for 2006.

The 2006 simulcast license is 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, including:

- a) An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.

11. WESTERN OTB/BATAVIA DOWNS TRACK AND SIMULCAST LICENSES FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board deferred action on the Western Regional Off-Track Betting Corporation's simulcast license application and Batavia Downs' track and simulcast license application for 2006 pending receipt of:

- Additional information regarding fire inspections of branches. Staff had difficulty in matching the submitted inspections to the locations of the branches.
- Western OTB/Batavia Downs' September 30, 2005 quarterly report.
- Clarification of Batavia Downs' standing concerning CAFO requirements.

The Board did not assign any of the racing programs requested by Batavia Downs for 2006.

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

Western OTB/Batavia Downs will remain operational on the continuing rights of the 2005 simulcast license. Such 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, including:
 - a) An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facilities. The report is to be filed with the Board no later than October 31, 2006.

12. BUFFALO RACEWAY TRACK LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board deferred action on Buffalo Raceway's track and simulcast license applications for 2006 pending further staff review of matters concerning the SAS-70 Type II Report for 2005. The Board did not assign any of the racing programs requested by Buffalo Raceway for 2006.

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

Buffalo Raceway will remain operational on the continuing rights of the 2005 track and simulcast license. Such 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.

13. BUFFALO RACEWAY SIMULCAST LICENSE APPLICATION FOR 2006

See Board item number twelve above.

14. FINGER LAKES RACING ASSOCIATION TRACK LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board deferred action on the Finger Lakes Racing Association's track and simulcast license applications for 2006 pending:

- Receipt of information concerning a horsemen's contract for 2006.
- Receipt of requested information concerning salaries of individuals, a list of stockholders in Delaware North, the length of time that Finger Lakes has owned the Finger Lakes Food Service and the length of time that the Delaware North Gaming and Entertainment, Inc. owned its other pari-mutuel businesses.

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

Finger Lakes Racetrack may remain operational on the continuing rights of the 2005 track and simulcast license. Such 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.

- e. An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.

15. FINGER LAKES RACING ASSOCIATION SIMULCAST LICENSE APPLICATION FOR 2006

See Board item number fourteen above.

16. MONTICELLO RACEWAY TRACK LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering The Board deferred action on the Monticello Raceway track and simulcast license applications for 2006 pending:

- Receipt of information concerning a horsemen's contract for 2006.
- Receipt of documentation from Monticello Raceway management in support of its position that a CAFO permit is not required.

The Board assigned the racing programs requested for January 2006 ONLY 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 next Board meeting.

Monticello Raceway may remain operational on the basis of continuing rights. Such 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.
- e. An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.

17. MONTICELLO RACEWAY SIMULCAST LICENSE APPLICATION FOR 2006

See Board item number sixteen above.

18. NEW YORK RACING ASSOCIATION, INC. SIMULCAST LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering The Board deferred action on the New York Racing Association, Inc.'s simulcast license application for 2006 pending receipt and review of information concerning application questions 1, 2, 5a, 5b (noted below):

- Question 1- needs to be completed.
- Question 2- Clarification as to when the Belmont backstretch was last inspected and when it will be inspected and when the Aqueduct facility will be inspected.
- Question 5a- The Tote and ITSP software versions.
- Question 5b - Clarification of the simulcast list; whether this is a complete list including primary or secondary guests, etc..

- Question 15 - Provide a copy of the contract with Stevenson and Associates, Inc.

In addition, action was deferred pending receipt and review of the following:

- Financial projections for the period requested for licensure (2006) that demonstrates how NYRA plans to meet its financial obligations during the license period.
- Aged accounts payable listing (i.e., listing of accounts payable that indicate how many days each liability has been outstanding).
- Draft balance sheet, income statement and statement of cash flows for the ten months ended October 31, 2005.

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

NYRA will remain operational on the basis of continuing rights. Such 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. 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.
 - e. An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.

19. SARATOGA HARNESS TRACK LICENSE APPLICATION FOR 2006

On December 28, 2005, the New York State Racing and Wagering Board approved the Saratoga Harness Racing, Inc. track and simulcast license applications for 2006. The Board assigned the 172 programs requested on the specified dates.

The 2006 track and simulcast licenses 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.
 - e. An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at its facility. The report is to be filed with the Board no later than October 31, 2006.
- Installation of the new camera system needed to properly judge infractions, inquiries and objections resulting from pari-mutuel racing.

20. SARATOGA HARNESS SIMULCAST LICENSE APPLICATION FOR 2006

See Board item number nineteen above.

21. NYRA – REQUEST FOR PERMANENT APPROVAL OF CASHCARDS

On December 28, 2005, the New York State Racing and Wagering Board granted temporary conditional approval of the New York Racing Association's (NYRA) request for permanent approval of CashCards system through March 31, 2006 only. The approval is conditioned on the following:

- No later than February 28, 2006 NYRA file with the Board the independent audit of NYRA's AML policies.
- Within five business days of receipt, NYRA forward to the Board the results of the IRS audit of compliance with the Bank Secrecy Act.
- No later than February 28, 2006, NYRA submit to the Board the results of the review of the six months of CashCard activity, as recommended by NYRA's outside legal counsel.
- Within five business days of receipt, NYRA forward to the Board the opinion requested from the State Comptroller regarding the issue of escheatment of CashCard funds and other specified accounts.
- No later than February 28, 2006, NYRA shall have operational, the independent monitoring system (System) as specified to the Board on June 6, 2005 in the document entitled "*Integrity* Independent Monitoring System Product Specification Release 2.1". The system must provide real time monitoring and auditing as described in Section 5 (*Integrity* Core Functionality) of the document. The System must immediately produce "alerts", as specified in Section 9, Appendix B of the document (List of *Integrity* Alerts). NYRA management shall be responsible for immediately reviewing, investigating and rectifying matters relating to such alerts. NYRA management shall report to the Board, on a daily basis, actions taken in such matters.
- Continue to provide electronic access to the System at the Board's office in Albany, NY for the Board's own purposes.

This conditional approval will expire at midnight on March 31, 2006. A further application must be submitted on a timely basis if NYRA intends on continuing with the use of CashCards at their facilities after March 31, 2006.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. SAS 70 TYPE II AUDIT REPORTS – 12/05-50-E

Staff has reviewed each of the SAS 70 Type II audit reports that have been filed. Staff has prepared a separate analysis of these reports by tote company. These reports cover the following racetracks and off-track betting corporations:

<u>United Tote</u>	<u>Scientific Games</u>	<u>AmTote</u>
- NYRA	- Nassau OTB	- NYCOTB
- Finger Lakes Racetrack	- Suffolk OTB	- Buffalo Raceway
- Capital OTB	- Catskill OTB	
- Western OTB	- Yonkers Raceway	
- Batavia Downs	- Saratoga Equine Sports Center	
	- Monticello Raceway	

F. FOLLOW-UP ON ITEMS PREVIOUSLY APPROVED

CONDITIONS MET _____

Date:

Conditioned date: 12/06/05

1. NASSAU OTB – REQUEST TO AMEND PLAN

OF OPERATION FOR APPROVAL OF NEW

PRESIDENT - AMOROSO

This approval is conditioned upon a receipt of the print report with no disqualifying information from the Federal Bureau of Investigation on Mr. Dino Amoroso.

