

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF MARCH 16, 2005

A meeting of the New York State Racing and Wagering Board was held on Wednesday, March 16, 2005 at 11:00 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 11:20 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Erin Dahlmeyer, Secretary to the Board

Robert Feuerstein, General Counsel

Thomas Casaregola, Director of Audits & Investigations

Joseph Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Francesca Pizzimenti, NYSR&WB

Karen Murphy, Esq.

Robert Messina, Jockey

Kevin Molloy, Suffolk OTB

Bill Heller, Thoroughbred Times

Gail Pronti, Lt. Governor's Office

Paul D'Onofrio, Monticello Raceway

Robert Hemsworth, Capital OTB

Steve Israel, Middletown Times Herald Record

OPEN COMMENT PERIOD: Open comment period began at 11:00 a.m. Karen Murphy spoke on behalf of Robert Messina concerning Board Item D-3. Ms. Murphy stated that as a result of the suspension in November 2003, Mr. Messina has been out of work and unable to get other licenses. It is her belief that the Hearing Officer is going to recommend that the Board sustain the penalty. Ms. Murphy stated that the tape of the race shows no basis for suspension and that there was no inquiry, or betting changes or irregularities to justify this charge. She also stated that the anonymous tipster who caused the Stewards to take a second look at the tape was a race fixer, further, she stated that the steward's testimony was opposed to each other on punishment, charge and conclusion. She stated that precedent does not support the extent of the disciplinary action and that Messina is poised to return pursuant to settlement discussions. The Board is not bound by Steward's judgement.

Kevin Molloy from Suffolk OTB commented on the ability of NY residents to bet on New York tracks on line. Mr. Molloy has prepared a report of these sites and a copy was given to the Board. The study reported that NY residents are able to bet on these sites and wagers are being commingled. However, the sites are not paying any money to the State for regulatory fees. There was dialog with the Board members regarding the matter.

Paul D'Onofrio spoke on behalf of Monticello to provide an information update. Mr. D'Onofrio stated that the paddock is up and running and the horsemen, judges, etc. are all very happy with the outcome. As of last week there was still no horsemen's agreement. The proposal given to the horsemen by management was counter proposed by the horsemen.

Public comment period ended at 11:20 a.m.

A. The Board approved the minutes of the Board meetings held on January 24, 2005 and February 16, 2005.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. CATSKILL OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on February 18, 2005, approval was granted for the request by Catskill OTB to amend its simulcast plan of operation enabling participation in the three Kentucky Oaks and Kentucky Derby future pools on the year 2005 Kentucky Oaks to be contested on May 6th and the Kentucky Derby to be contested on May 7th at Churchill Downs.

The fact that "there will be no cancellations or refunds" even if the horse listed in the future pool does not compete in the Kentucky Oaks on May 6th or the Kentucky Derby on May 7th (per Kentucky rules) should be stressed to the customers before they wager. The three future pools for The Oaks are open until 6:30 p.m. or one-half hour later than The Derby Future pool during each of the three time periods.

Also, sporadic problems occurred two years ago in 2003 whereby customers became confused in keeping their wagers separate on the Oaks and the Derby. Catskill OTB must make every effort to ensure that its customers have clear instructions available, either verbally from pari-mutuel clerks or written with clear instructions listed near all self-betting machines relative to how to differentiate between "Oak Future" bets and "Derby Future" bets. These approvals are effective immediately.

* For entry into the minutes, on March 3, 2005, approval was granted for the request by Catskill Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from the Hawthorne race meeting through May 10th as stipulated in the Illinois Racing Board and the Illinois Thoroughbred Horsemen's Association, Inc. permission letters. The simulcasts of the above named racing programs will be utilized as imported simulcasts only as permitted under the Racing Law.

To continue on the thoroughbred portion of this simulcast contract with Hawthorne Race Course after May 10, 2005, a new letter of permission from the Illinois Horsemen must be secured and filed with the Board.

This approval further extends to the Western Regional OTB.

2. NASSAU OTB REQUEST TO OFFER PROMOTION - TELEPHONE ACCOUNT

For entry into the minutes, on February 18, 2005, approval was granted for the request by Nassau OTB for a promotion to reward new phone account holders who wager as per the submitted guidelines of the February 7th application.

This promotion is a one-time credit to the balances of the individual accounts.

3. NASSAU OTB REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on February 18, 2005, approval was granted for the request by Nassau OTB to amend its simulcast plan of operation enabling the import of simulcast signals from thoroughbred tracks of Sam Houston in Texas, Delta Downs in Louisiana, Sunland Park in New Mexico, River Downs in Ohio and the harness track of Hazel Park in Michigan.

The Delta Downs and Sunland Park agreements also include Capital District, Catskill, Suffolk and Western OTBs. The Sam Houston, River Downs and Hazel Park requests are on behalf of Suffolk OTB.

* For entry into the minutes, on March 3, 2005, approval was granted for the request by Nassau Regional OTB to amend its plan of operation enabling the import of simulcasts from the year 2005 harness race meeting conducted at Ocean Downs in the State of Maryland.

* For entry into the minutes, on March 4, 2005, approval was granted for the request by Nassau Regional OTB to amend its simulcast plan of operation enabling the import of simulcasts from Dubai in the United Arab Emirates through the auspices of Churchill Downs Louisiana Racing Co., LLC. These simulcasts may be imported and utilized in accordance with the Racing Law. This approval further extends to Capital District, Catskill, Suffolk and Western Regional OTB.

Also approved is the new agreement between Nassau Downs OTB and Pompano Park in Florida for the remainder of the 2005 racing season. This specific approval further extends to Suffolk OTB.

4. SUFFOLK OTB REQUEST TO OFFER PROMOTIONS

For entry into the minutes, on February 18, 2005, approval was granted for the request by Suffolk Regional OTB for a promotion to award betting vouchers in the number and denominations listed on the application and request letter, dated February 11, 2005.

This promotion is to be conducted at The Racing Forum on Tuesday, February 22, 2005.

5. NYRA REQUEST TO OFFER PROMOTION - SHOWDOWN

For entry into the minutes, on February 24, 2005, approval was granted for the request by NYRA to conduct a SHOWdown Internet-based handicapping promotion beginning on Wednesday, March 16th and continuing through Sunday, May 1st based on the 2005 Spring Aqueduct Race Track race meeting.

This promotion contest is to be conducted with the condition of a ten-dollar entry fee per contestant and all paid entry fees are to be returned to the winners as outlined in the submitted rules.

6. YONKERS RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on February 24, 2005, approval was granted for the request by Yonkers Raceway to amend its simulcast plan of operation enabling the export of simulcasts to the in-state harness track of Saratoga Harness and to the harness track of Plainridge Race Course during the year 2005.

The Board also acknowledges receipt of contracts for Rockingham Park in New Hampshire and Northfield Park in Ohio, both previous customers, to receive the Yonkers Raceway simulcast for 2005.

7. SUFFOLK OTB REQUEST TO OFFER PROMOTION - HANDICAPPING CONTEST

For entry into the minutes, on February 24, 2005, approval was granted for the request by Suffolk Regional OTB to conduct a harness handicapping contest per the rules listed in the application, dated February 17, 2005.

This handicapping contest will be conducted at The Racing Forum on Saturday, April 16, 2005.

8. MONTICELLO RACEWAY REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on February 25, 2005, approval was granted for the request by Monticello Raceway to amend its simulcast plan of operation enabling the import of simulcasts on the year 2005 Hawthorne race meeting through May 10th as stipulated in the Illinois Thoroughbred Horsemen's Association, Inc. permission letter. The simulcasts of the above named racing programs will be utilized as imported simulcasts only as permitted under the Racing Law.

To continue on the thoroughbred portion of this simulcast contract after May 10, 2005, a new letter of permission from the Illinois Horsemen must be filed with the Board. A letter of permission from the Illinois harness horsemen must also be filed with the Board prior to the start of the 2005 Hawthorne/Suburban Downs harness meet currently scheduled to begin on June 5th.

9. YONKERS RACEWAY REQUEST TO AMEND PLAN OF OPERATION CANCEL RACING

For entry into the minutes, on March 3, 2005, approval was granted for the request by Yonkers Raceway to amend its plan of operation with the cancellation of future Friday racing programs beginning with Friday, March 11th.

The track will notify the Board well in advance of attempting to resume Friday live racing programs.

10. NEW YORK CITY OTB REQUEST TO AMEND PLAN OF OPERATION UNITED TOTE

For entry into the minutes, on March 3, 2005, approval was granted for the request by New York City OTB to amend its plan of operation to provide for United Tote Company interface services per the submitted agreement.

11. SARATOGA HARNESS REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on March 4, 2005, approval was granted for the request by Saratoga Harness to amend its simulcast plan of operation enabling the import of simulcasts

from The Meadowlands and from Monmouth Park, the two New Jersey racetracks operated by the New Jersey Sports and Exhibition Authority. Also approved is the agreement with Yonkers Raceway for Saratoga Harness to import the simulcasts from Yonkers Raceway during the remainder of the year 2005.

Also approved is the export of the Saratoga Harness simulcasts to Finger Lakes, an in-state thoroughbred racetrack. These simulcasts may be utilized whenever in compliance with the Racing Law during the year 2005.

12. SARATOGA HARNESS REQUEST TO OFFER PROMOTIONS □ ST. PATRICK'S DAY

For entry into the minutes, on March 4, 2005, approval was granted for the request by Saratoga Harness for a St. Patrick's Day promotion on Thursday, March 17th. Saratoga Harness will be awarding to the winner of a random drawing after each of the nine Aqueduct simulcast races and after each of the initial 11 Saratoga Harness live races a prize of one hundred dollars (\$100). In addition, after the twelfth and final live Saratoga Raceway race, the winner of the drawing will be awarded five hundred dollars (\$500).

13. FINGER LAKES REQUEST TO AMEND PLAN OF OPERATION □ RACE DATES

For entry into the minutes, on March 9, 2005, approval was granted for the request by Finger Lakes for the cancellation of the previously approved racing date of Sunday, October 2, 2005. With the approval of this cancellation, the total number of racing dates for 2005 at Finger Lakes is now 160.

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

1. CAPITAL OTB REQUEST TO ADD NEW E-Z BET LOCATION - PLATTSBURGH

For entry into the minutes, on February 28, 2005, the Board approved the request by Capital District Regional OTB to conduct wagering and display simulcasts at Christopher's Restaurant d/b/a The Comfort Inn located at 411 Route 3 in Plattsburgh, New York (Clinton County). At this new E-Z Bet location all wagering is self-service and initiated using cash, a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be five hundred dollars (\$500).

In addition, it is expected that Capital OTB, using its own North Country security and audit employees, will inspect the Christopher's Restaurant 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.

Further, 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.

2. CAPITAL OTB REQUEST TO ADD NEW E-Z BET LOCATION - SCHENECTADY

For entry into the minutes, on February 28, 2005, the Board approved the request by Capital District Regional OTB to conduct wagering and display simulcasts at Sportsman's Bowl located at 1652 Crane Street in Schenectady, New York (Schenectady County). At this new E-Z Bet location all wagering is self-service and initiated using cash, a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be five hundred dollars (\$500).

In addition, it is expected that Capital OTB, using its own North Country security and audit employees, will inspect the Sportsman's Bowl 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.

Further, 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.

3. CAPITAL OTB REQUEST TO ADD NEW E-Z BET LOCATION - CHAMPLAIN

For entry into the minutes, on February 28, 2005, the Board approved the request by Capital District Regional OTB to conduct wagering and display simulcasts at the Boarder View Grocery located at 2018 Ridge Road in Champlain, New York (Clinton County). At this new E-Z Bet location all wagering is self-service and initiated using cash, a winning ticket or voucher only. The amount limit in the issuance of any voucher to a customer at any one time will be five hundred dollars (\$500).

In addition, it is expected that Capital OTB, using its own North Country security and audit employees, will inspect the Boarder View Grocery 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.

Further, 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.

4. WESTERN OTB/BATAVIA DOWNS REQUEST FOR VLT CONSTRUCTION/DEMOLITION

For entry into the minutes, on March 8, 2005, the Board approved the request by Western Regional OTB for limited construction work for the proposed Video Lottery Terminal facilities at Batavia Downs pursuant to Section 322 of the New York State Racing, Pari-Mutuel Wagering and Breeding Law.

The construction approved is described in the New York State Office of General Services (OGS) construction permit, dated February 28, 2005. The Board hereby withdraws its prior approval related to the Section 322 permit issued on April 16, 2004. The Board's earlier approval was based on the OGS construction permit, dated April 6, 2004, which has now been superseded by the OGS permit dated February 28, 2005.

D. ITEMS APPROVED, DENIED OR DEFERRED BY THE BOARD

1. IN THE MATTER OF STEVEN BROWN

The Board upheld the violation of Board Rule 4117.4(a) in that harness driver Steven Brown, while driving the horse CHEYENNE'S BEST in the tenth race on August 24, 2004, swerved out and caused another horse to shorten stride, be taken back and/or break stride. The Board modified the decision of the judges at Yonkers Raceway, which suspended his driving license for eight (8) days, to a fifteen (15) days suspension based on Mr. Brown's specific conduct in this incident, his history of violations and the need for deterrence.

2. IN THE MATTER OF MICHAEL DAVILA

The Board upheld the violation that jockey Michael Davila interfered in the stretch with another horse at Finger Lakes Race Track during the sixth race on October 2, 2004. The Board modified the suspension of Mr. Davila's license to be for 10 racing days (rather than calendar days) to be served over the course of 10 racing days at Finger Lakes Race Track because of Mr. Davila's history of repeated violations and the seriousness of this incident, which caused the offended horse to hit the rail creating a dangerous situation.

3. IN THE MATTER OF ROBERT MESSINA

The Board upheld the violation that Mr. Messina failed to put forth his best effort while riding STRICTLY PHYSICAL in the fifth

race on October 7, 2003 and modified the penalty from a sixty (60) day suspension and five thousand dollar (\$5,000) fine to a revocation of Mr. Messina's license and any rights to participate as a jockey for a minimum period of six (6) months, and eliminated the five thousand dollar (\$5,000) fine. However, this action is without prejudice to participation in the license category of exercise rider. The Board's upward modification of the penalty is based upon the seriousness of the violation, Robert Messina's licensing history of violations, and the need to deter conduct, which goes to the heart of pari-mutuel racing activity and is contrary to the requirement to give one's best effort under any circumstances unless there is credible justification as to why best efforts are not exerted.

4. IN THE MATTER OF BRIAN O'NEILL

The Board upheld the violation that harness owner-trainer Brian O'Neill failed to appear on time for the furosemide injection of the horse INTERNET EXPLORER at Vernon Downs in violation of Board Rule 4120.2(6). The horse was scratched from scheduled competition in the eighth race on June 25, 2004. The Board modified the fine from one hundred dollars (\$100) to two hundred dollars (\$200) based upon Mr. O'Neill's failure to appear and failure to offer a credible defense.

5. FINGER LAKES REQUEST FOR ROSTER OF RACING OFFICIALS

The Board approved 14 of the 15 racing officials for the year 2005 Finger Lakes live racing season. Mr. Thomas Muller Jr. was deferred.

This approval is given as required under Board Rule 4005.1.

6. NYRA REQUEST TO AMEND RACING OFFICIALS

The Board approved the reclassification from Category I officials to Category III officials of Andrew Byrnes and Braulio Baeza, Jr. Mr. Byrnes and Mr. Baeza, Jr. may now substitute as the NYRA or Jockey Club Steward during a temporary absence of the designated official steward representing NYRA or the Jockey Club in addition to their regularly assigned duties at NYRA.

The Board deferred the appointment of Dr. Katrina Jackson to perform duties as an Examining Veterinarian pending her acceptance of the position.

7. MONTICELLO RACEWAY TRACK LICENSE APPLICATION FOR 2005

The Board deferred action on the Monticello Raceway track and simulcast license applications for 2005 pending receipt of a fully executed horsemen's agreement, a review of "shareholder

suitability" and corporate structure/financing. The Board assigned the racing programs requested for the month of April 2005 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 April Board meeting.

Monticello Raceway may remain operational on the continuing rights of the 2004 track and simulcast license. However, continuing rights are conditioned upon the following:

Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board. These include but are not limited to the following:

- a. All contracts for sites to receive New York simulcasts must provide that such receiving sites not rebate *in cash* on New York races.
- b. Retransmission of your simulcast signal by authorized recipients to secondary recipients is not allowable without disclosure within the contract of the names and locations of all secondary recipients.
- c. The Board has the authority to audit the out-of-state receiving site's books and records (including all secondary sites that receive your simulcast) and must be noted in any simulcast agreement entered into for your simulcast signal. Included within the agreement must be reference that the guest shall permit inspection of the totalizator facilities at the site where guest's wagers are subject to commingling and all related totalizator books and records by a representative of the host or of the host's Board. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.
- d. Any agreement which you are party to is subject to the requirements of the host and guest states with any provision mandated by either Commission or Board with such provisions specifically incorporated into contract by reference. Both parties, including any Secondary Recipients, shall comply with the provisions of all-applicable Federal, State and local laws and regulations.

An SAS- 70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at your facility. The report is to be filed with the Board no later than October 31, 2005.

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

8. MONTICELLO RACEWAY SIMULCAST LICENSE APPLICATION FOR 2005

See Board Item number seven above.

9. MONTICELLO RACEWAY REQUEST TO WITHDRAW FROM CIF - \$87,730.22

The Board approved the request by Monticello Raceway to withdraw \$87,730.22 from its Capital Improvement Fund for reimbursement of capital improvement expenditures.

Backstretch (69%)

New Starting Gate \$23,000.00

Blacktop and Crusher run

on Backstretch 16,950.00

New Starting Car 20,796.22

Total Backstretch Items \$60,746.22

Other (31%)

GMC Mason Truck with Plow	\$ 6,700.00
Ambulance	2,500.00
Six Roof Heater Guns	<u>17,784.00</u>
Total Other Items	<u>\$26,984.00</u>
Total	<u>\$87,730.22</u>

10. SARATOGA HARNESS TRACK LICENSE APPLICATION FOR 2005

The Board deferred action on the Saratoga Harness track and simulcast license applications for 2005 pending receipt of a formal fire inspection of the backstretch area. The Board assigned the racing programs requested for the month of April

2005 conditioned upon receipt of approval from the horsemen's association. Racing programs are approved with 12 races as a maximum with the ability to seek permission from the presiding judge for additional races on a "case-by-case" basis.

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

Saratoga Harness may remain operational on the continuing rights of the 2004 track and simulcast license. However, continuing rights are conditioned upon the following:

Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board. These include but are not limited to the following:

- a. All contracts for sites to receive New York simulcasts must provide that such receiving sites not rebate *in cash* on New York races.
- b. Retransmission of your simulcast signal by authorized recipients to secondary recipients is not allowable without disclosure within the contract of the names and locations of all secondary recipients.
- c. The Board has the authority to audit the out-of-state receiving site's books and records (including all secondary sites that receive your simulcast) and must be noted in any simulcast agreement entered into for your simulcast signal. Included within the agreement must be reference that the guest shall permit inspection of the totalizator facilities at the site where guest's wagers are subject to commingling and all related totalizator books and records by a representative of the host or of the host's Board. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.
- d. Any agreement which you are party to is subject to the requirements of the host and guest states with any provision mandated by either Commission or Board with such provisions specifically incorporated into contract by reference. Both parties, including any Secondary Recipients, shall comply with the provisions of all-applicable Federal, State and local laws and regulations.

An SAS- 70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at your facility. The report is to be filed with the Board no later than October 31, 2005.

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

11. SARATOGA HARNESS SIMULCAST LICENSE APPLICATION FOR 2005

See Board Item number ten above.

12. SARATOGA HARNESS REQUEST TO AMEND PLAN OF OPERATION RACE DATES

The Board approved the request by Saratoga Harness to amend its plan of operation enabling an added race date of Monday, April 11, 2005.

Also approved is the cancellation of the previously assigned racing date of Wednesday, April 13, 2005.

13. CAPITAL OTB SIMULCAST LICENSE APPLICATION FOR 2005

The Board deferred action on the Capital District Regional OTB simulcast license application for 2005 pending receipt of completed fire inspections and information regarding an SAS-70 Type 2 audit report.

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

Capital OTB will remain operational on the continuing rights of the 2004 simulcast license. However, continuing rights are conditioned upon the following:

Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board. These include but are not limited to the following:

- a. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of your simulcast transactions, if not included within individual contracts, must be supplied to the Board.

- b. Any agreement which you are party to is subject to the requirements of the host and guest states with any provision mandated by either Commission or Board with such provisions specifically incorporated into contract by reference. Both parties, including any Secondary Recipients, shall comply with the provisions of all-applicable Federal, State and local laws and regulations.

An SAS- 70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at your facility. The report is to be filed with the Board no later than October 31, 2005.

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

14. NASSAU OTB SIMULCAST LICENSE APPLICATION FOR 2005

The Board deferred action on the Nassau OTB simulcast license application for 2005 pending receipt of completed fire inspections and information requested regarding "day accounts".

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

Nassau OTB may remain operational on the continuing rights of the 2004 simulcast license. However, continuing rights are conditioned upon the following:

Compliance with all applicable provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, Board rules and orders and directives of the New York State Racing and Wagering Board. These include but are not limited to the following:

- a. Names and contact telephone numbers and/or addresses of managers at all pari-mutuel "hubs" used in the course of your simulcast

transactions, if not included within individual contracts, must be supplied to the Board.

- b. Any agreement which you are party to is subject to the requirements of the host and guest states with any provision mandated by either Commission or Board with such provisions specifically incorporated into contract by reference. Both parties, including any Secondary Recipients, shall comply with the provisions of all-applicable Federal, State and local laws and regulations.

An SAS-70 Type II audit is to be performed for the current licensing period on the totalizator operations utilized and located at your facility. The report is to be filed with the Board no later than October 31, 2005.

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

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. GAMES OF CHANCE BINGO REGISTRATION NUMBERS MARCH 03/05-03-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between February 4, 2005 March 3, 2005.

2. GAMES OF CHANCE BELL JAR TICKETS MARCH 03/05-05-E

List of bell jar ticket authorized/denied by the Charitable Gaming Unit between February 4, 2005 March 3, 2005.

3. GAMES OF CHANCE LICENSED BINGO & GAMES OF CHANCE SUPPLIERS MARCH 03/05-04-E

List of manufacturers/suppliers licensed by the Charitable Gaming Unit, between February 4, 2005 March 3, 2005.

4. LICENSING CURRENT RACING LICENSING COUNT AS OF MARCH 2005

03/05-01-E

The current racing licensing counts as of February 28, 2005 are as follows: total receipts 1832 and total licenses 1195 for the year 2005.

5. STATE REGISTER FIVE YEAR RULE REVIEW 02/05-24-E

On February 1, 2005 the Board submitted its annual 5-year rule review for publication and comment. The purpose of this filing is to post the rules that were adopted 5 years ago and seek comments on them pertaining to whether or not they should be continued or modified.

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

The amendments to Sections 4043.6, 4043.7, 4038.18, 4120.10, 4120.11, 4109.7 and 4113.3 by emergency rulemaking became effective on February 1, 2005 upon filing with the Department of State. They will be effective for ninety days (90) through May 2, 2005.

The meeting was adjourned at 12:25 p.m.