

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

MEETING OF NOVEMBER 22, 2005

A meeting of the New York State Racing and Wagering Board was held on Tuesday, November 22, 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 11:00 a.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

John Cansdale, Executive Director

Gail Pronti, Secretary to the Board

Robert Feuerstein, General Counsel

Joseph Lynch, Chief of Racing Operations

Thomas Casaregola, Audits and Investigations

Also in Attendance Were:

Daniel Toomey, NYSR&WB

Kristen Buckley, NYSR&WB

Vivian Davis, NYSR&WB

Mike Connery, Capital OTB

Matt McArdle, Hinman Straub

Pete O'Connor

Dan Wray, New York City OTB

Paul D'Onofrio, Monticello Raceway

Tom Precious, The Blood Horse

OPEN COMMENT PERIOD: No comments were made.

A. The Board approved the minutes of the Board meeting held on September 22, 2005, with one minor typographical correction on page 7, number 5.

B. ITEMS PREVIOUSLY APPROVED OR DEFERRED BY THE CHAIRMAN.

1. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO AMEND PLAN OF OPERATION

For entry into the minutes, on October 20, 2005, the NYS Racing and Wagering Board approved a change in the plan of operation for the Capital District Regional Off-Track Betting Corporation with the closing of the Greene County off-track betting located in Catskill and two E-Z Bet facilities located in St. Lawrence County, Amigo's Tex Mex and the Clearview Restaurant. This approval for a Capital District Regional Off-Track betting Corporation change in its plan of operation is effective immediately.

2. CATSKILL REGIONAL OTB – REQUEST TO OFFER PROMOTION – TELEPHONE BETTING ACCOUNTS

For entry into the minutes, on October 26, 2005, the New York State Racing and Wagering Board approved the Catskill Regional Off-Track Betting Corporation promotional request to increase the maximum award to a one hundred dollar credit to all new telephone betting accounts that are opened in response to certain advertisements.

This approval is effective immediately.

3. CATSKILL REGIONAL OTB – REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on October 20, 2005, the NYS Racing and Wagering Board approved the Catskill Regional OTB request dated October 18, 2005, to amend its simulcast plan of operation enabling the importation of the simulcasts from the Northville Downs in Michigan. The Northville Downs simulcasts may be imported and utilized for wagering whenever in accordance with the New York Racing statute. This approval further extends to Capital District and Western Regional OTBs.

4. For entry into the minutes, on October 28, 2005, the New York State Racing and Wagering Board approved the import of simulcast signals from a new simulcast site in New Mexico known as Zia Park located at 2901 West Millen Drive in Hobbs, NM.
5. For entry into the minutes, on November 1, 2005, the New York State Racing and Wagering Board approved the Catskill Regional OTB request dated October 28, 2005, to amend its simulcast plan of operation enabling the importation of the simulcasts from the Cal Expo Harness in Sacramento, California. The Cal Expo Harness simulcasts may be imported and utilized for wagering whenever in accordance with the New York Racing statute. This approval extends to the Capital District Regional OTB and Western Regional OTB as well as the applicant, the Catskill Regional Off-Track Betting Corporation.

6. FINGER LAKES – REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on October 24, 2005, the New York State Racing and Wagering Board approved the extension to the Catskill Regional OTB agreement with the Finger Lakes Racing Association to import simulcasts from Finger Lakes Racetrack in 2005 and 2006. This extension will conclude on December 31, 2006.

7. For entry into the minutes, on October 25, 2005, the New York State Racing and Wagering Board approved the amendment to the Finger Lakes simulcast plan of operation enabling the export of 2005 Finger Lakes simulcasts to a new customer, the Prairie Meadows Racetrack and Casino located in Altoona, Iowa. This approval is effective immediately.
- 8. MONTICELLO RACEWAY – REQUEST TO AMEND PLAN OF OPERATION**

For entry into the minutes, on October 19, 2005, the New York State Racing and Wagering Board approved an amendment to the Monticello Raceway plan of operation enabling the addition of two Sunday racing dates in the month of December 2005. The approved first post time is 12:40 p.m. for these two December Sundays of the 4th and 11th.

9. MONTICELLO RACEWAY – REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on October 20, 2005, the NYS Racing and Wagering Board approved an amendment to the Monticello Raceway simulcast plan of operation enabling Monticello Raceway to accept simulcasts from the 2005 race meeting conducted in London, Ontario by the Western Fair Raceway. This out-of-country harness signal may be utilized whenever permitted under the current Racing Law.

10. NASSAU OTB – REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on October 26, 2005, the New York State Racing and Wagering Board approved the Nassau Downs Regional OTB request dated October 21, 2005, to amend its simulcast plan of operation enabling the importation of the simulcasts on World Thoroughbred Championship Day (The Breeders' Cup) from Belmont Park on Saturday, October 29, 2005.

This approval further applies to the Suffolk Regional OTB.

- 11.** For entry into the minutes, on October 26, 2005, the New York State Racing and Wagering Board approved the Nassau Regional OTB request dated October 21, 2005, to amend its simulcast plan of operation enabling the importation of the simulcasts from Plainridge Racecourse and from Wyvern International, Ltd./the Australian International Racing during their 2005 race meetings.

These approvals to import the Australia-Wyvern racing simulcast and the Plainridge Racecourse simulcast also apply to Suffolk Regional OTB. These simulcasts may be imported and utilized for wagering whenever in accordance with the Racing Law.

- 12.** For entry into the minutes, on November 1, 2005, the New York State Racing and Wagering Board approved the Nassau Downs OTB request for a change in its simulcast plan of operation enabling the import of simulcast signals and the taking of wagering on such simulcasts emanating from Zia Park in Hobbs, New Mexico. This approval is effective immediately.

13. NEW YORK CITY OTB – REQUEST TO AMEND PLAN OF OPERATION/BRANCH CLOSING – QUEENS

For entry into the minutes, on November 1, 2005, the New York State Racing and Wagering Board approved the amendment to the plan of operation of NYCOTB for the closure of a branch (Branch #010) located within the borough of Queens at 28-15 Steinway Street, Queens New York. It is understood that the last day of operation of this branch will be November 13, 2005.

14. NEW YORK CITY OTB – REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on October 26, 2005, the New York State Racing and Wagering Board approved the New York City OTB request dated October 24, 2005, to amend its simulcast plan of operation enabling the importation of the simulcasts on World Thoroughbred Championship Day (The Breeders' Cup) from Belmont Park on the one-day of Saturday, October 29, 2005.

15. NYRA – REQUEST TO AMEND PLAN OF OPERATION/PARI-MUTUEL WAGERING OFFERED

For entry into the minutes, on October 27, 2005, the New York State Racing and Wagering Board approved the request to amend the NYRA pari-mutuel plan of operation with the offering of proposition wagering pools on World Thoroughbred Championship Day (Breeders' Cup Day) on Saturday, October 29, 2005. Board Rule 4011.25 – proposition wagers - governs all proposition wagering. This wager may also be included with a parlay as long as all legs of the parlay are proposition wagers. All parlay wagering is governed by Board rule 4010.6. This approval is effective immediately.

16. NYRA – REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on October 28, 2005, the New York State Racing and Wagering Board approved the request to amend the NYRA simulcast plan of operation allowing for net pool pricing with various entities in Europe, Mexico and Venezuela per all submitted documents.

For any other foreign commingling with the on-track NYRA pari-mutuel pools, all wagering must be in United States dollars with a conversion rate at the specified foreign bank in effect during the same date of the races upon which there is wagering per Section 907(2)(b) of the Racing, Pari-Mutuel Wagering and Breeding Law.

Additionally, NYRA must clearly inform the wagering public that net pool pricing is now in effect for the calculation of pari-mutuel payouts upon the influx of wagering dollars from foreign entities.

Specific Board approval will be required for any other simulcast sites that implement net pool pricing with takeout rates differing from that in effect at the Host track. This approval is effective immediately.

17. SARATOGA HARNESS – REQUEST TO SIMULCAST VARIOUS LOCATIONS IN 2005

For entry into the minutes, on November 7, 2005, the New York State Racing and Wagering Board approved the amendment to the Saratoga Gaming and Raceway simulcast plan of operation enabling Saratoga Gaming and Raceway to import simulcasts from Dover Downs, a harness racetrack in Delaware. This approval is effective immediately and this simulcast may be taken whenever in compliance with current Racing Law in New York.

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

1. NYRA – REQUEST TO ALLOW MERGED POOL SIMULCASTING WITH CANADIAN PARI-MUTUEL SITES

For entry into the minutes, on October 21, 2005, the New York State Racing and Wagering Board approved a change in the New York Racing Association's plan of operation allowing for net pool pricing with Canada per submitted documents. All wagering is to be converted to United States dollars at the exchange rate in effect on the morning of the day of the race at the Bank of Canada. No New York residents may wager into any out-of-state account wagering program (including any in Canada).

For any other foreign sites (including Canada) commingling with the on-track NYRA pari-mutuel pools, all wagering must be in United States dollars with a conversion rate at the specified foreign bank in effect during the same date of the races upon which there is wagering per Section 907(2)(b) of the Racing, Pari-Mutuel Wagering and Breeding Law.

Additionally, NYRA must clearly inform the wagering public that net pool pricing is now in effect for the calculation of pari-mutuel payouts upon the influx of wagering dollars from foreign entities.

Specific Board approval will be required for any other simulcast sites that implement net pool pricing with takeout rates differing from that in effect at the Host track. This approval is effective immediately.

On October 24, 2005 five additional sites, four in Ontario, Flamboro Downs, Kawartha Downs, Rideau Carleton Raceway and Sudbury Downs and one in Alberta, the Rocky Mountain Turf Club were added to the original approval.

On October 26, 2005 seven additional sites were added to the original approval for a total of twenty-three (23) approved Canadian contracts providing for net pool pricing with the NYRA racetracks.

2. REQUEST FOR LICENSING EXEMPTIONS FOR INDIVIDUALS WORKING AT THE BREEDERS' CUP ON BEHALF OF THE RACING MEDICATION AND TESTING CONSORTIUM

For entry into the minutes, on October 21, 2005 the New York State Racing and Wagering Board granted individuals who are currently employed at recognized horse racing regulatory agencies and will be working on behalf of the RMTC at the Breeder's Cup at Belmont Park an exemption from occupational licensure. The exemption is conditioned on receiving the following information by October 27, 2005:

1. A final list of employees from regulatory agencies who will be working at the Breeder's Cup. The list shall include the name of the person, title and name of the regulatory agency;
2. For each of the above individuals, a letter from the respective regulatory agency authorizing such individual to engage in such activity; and
3. For each of the above individuals, a photocopy of the credential issued by the respective regulatory agency.

All other individuals, including those who work for racetracks must be licensed.

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

1. CAPITAL OTB – REQUEST TO ADD NEW E-Z BET - HUDSON

On November 22, 2005, the New York State Racing and Wagering Board approved the Capital District Regional OTB's request, received June 16, 2005, to conduct wagering and display simulcasts at Melino's Pub, located at 749 Columbia Street in Hudson, New York (Columbia County). It is understood that 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).

It is expected that Capital OTB, using its own security and audit employees will inspect the Melino's Pub 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.

Should Melino's Pub become operational as an E-Z Bet facility during 2005, a simulcast license fee of \$500 is immediately due. If this facility is initially put into operation by Capital OTB as an E-Z Bet facility in 2006, the \$500 fee is due with the 2006 Capital OTB simulcast license application. 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. WESTERN REGIONAL OTB – REQUEST TO ADD NEW E-Z BET - HOLLAND

On November 22, 2005, the New York State Racing and Wagering Board approved Western Regional OTB's request dated October 7, 2005, to conduct wagering and display simulcasts at the Holland Willows, located in the town of Holland, New York (Erie County). It is understood that 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).

It is expected that Western OTB, using its own security and audit employees will inspect the Holland Willows remote wagering facility and certify that all rules and laws concerning the conduct of wagering in New York State, are being followed.

The Secretary to the Board is to be notified in writing in a timely manner should a change in procedure be implemented that affects the operation of this approved Western Regional OTB remote wagering facility. Should this facility start wagering operation during the current year, the normal simulcast license fee of \$500 is immediately due. If this facility is to initiate wagering in 2006, this facility must be included with the 2006 simulcast license application and included in the total license fee due.

3. BUFFALO RACEWAY – REQUEST TO CONSTRUCT NEW PADDOCK

On November 22, 2005, the New York State Racing and Wagering Board approved Buffalo Raceway's request for approval for the construction of a new paddock barn pursuant to Section 322 of the Racing, Pari-Mutuel Wagering and Breeding Law.

The construction approved is described in the plans attached to the October 21, 2005 letter received from Buffalo Raceway.

If the moving of the Race Office and the New York State Judges' Office requires a building permit, a letter requesting approval for their construction or alteration must be forwarded to the Board before any construction is to begin.

4. IN THE MATTER OF DENNIS MILLER

On November 22, 2005, the New York State Racing and Wagering Board approved Hearing Officer Russell H. Baller, Jr.'s recommendation that the refusal to issue a license to participate in pari-mutuel harness racing for harness owner-groom applicant Dennis Miller be upheld. The refusal was based upon the finding, that Mr. Miller's experience, character and general fitness are such that his participation in racing is inconsistent with the public interest, convenience and necessity or with the best interests of racing generally.

5. IN THE MATTER OF RONALD TULL II

On November 22, 2005, the New York State Racing and Wagering Board approved Hearing Officer Creighton Brittell's recommendation that the decision of the Presiding Judge at Saratoga Raceway, which imposed a \$500 fine based upon the failure of harness trainer Ronald Tull II to have a valid Workers' Compensation policy in place on August 4, 2005, be upheld.

6. FINGER LAKES GAMING AND RACETRACK – REQUEST TO OFFER PROMOTION - PLAYER'S REWARDS PROGRAM

On November 22, 2005, the NYS Racing and Wagering Board approved the Finger Lakes Player's Club awards program as submitted on October 7, 2005. All aspects of this program are to be followed per the rules submitted with the application of October 7, 2005. The Board is conditioning its approval on the requirement that Finger Lakes management submit any new catalogs displaying additional rewards possible for point conversion upon availability.

This approval was effective immediately.

7. CAPITAL DISTRICT REGIONAL OTB – REQUEST TO ADD E-Z BET LOCATION

On November 22, 2005, the New York State Racing and Wagering Board approved Capital District Regional OTB's request, originally dated August 9, 2005, to conduct wagering and display simulcasts at the Canastota Hi-Way Bowling Center, located at 3314 Seneca Turnpike in Canastota, New York in Madison County. It is understood that 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).

It is expected that Capital OTB, using its own security and audit employees will inspect the Canastota Hi-Way Bowling Center 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.

Should Canastota Hi-Way Bowling Center become operational as an E-Z Bet facility during 2005, a simulcast license fee of \$500 is immediately due. If Capital OTB as an E-Z Bet facility in 2006 initially puts this facility into operation, the \$500 fee is due with the 2006 Capital OTB simulcast license application. 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.

8. WESTERN REGIONAL OTB - REQUEST TO ADD NEW E-Z BET LOCATION

On November 22, 2005, the New York State Racing and Wagering Board approved Western Regional OTB's request dated July 29, 2005, to conduct wagering and display simulcasts at the Arcade Hotel, Inc., located in the town of Arcade, New York (Wyoming County). It is understood that at this new E-Z Bet location, all wagering is self-service and initiated in United Tote machine using cash, a winning ticket or voucher. The amount limit in the issuance of any voucher to a customer at any one time will be limited to a maximum of five hundred dollars (\$500).

It is expected that Western OTB, using its own personnel will occasionally inspect the Arcade Hotel, Inc. remote wagering facility and certify that all rules and laws concerning the conduct of wagering in New York State are being followed.

The Secretary to the Board is to be notified in writing in a timely manner should a change in procedure be implemented that affects the operation of this approved Western Regional OTB remote wagering facility. Should this facility start wagering operation during the current year, the normal simulcast license fee of \$500 is immediately due. If this facility is to initiate wagering in 2006, this facility must be included with the 2006 simulcast license application and included in the total license fee due.

9. NEW YORK JOCKEY INJURY COMPENSATION FUND REQUEST TO AMEND PLAN OF OPERATION

On November 22, 2005, the New York State Racing and Wagering Board approved an amendment to the plan of operation of the New York Jockey Injury Compensation Fund, Inc. enabling the method of funding and assessment plan for 2006 as outlined in the attachments to the submitted application.

10. YEAR 2004 PAYMENTS BY OFF-TRACK BETTING CORPORATIONS TO REGIONAL HARNESS TRACKS PURSUANT TO RACING, PARI-MUTUEL WAGERING AND BREEDING LAW SECTION 1017-a.2(b)

Racing, Pari-Mutuel Wagering and Breeding Law Section 1017-a.2(b) provides a formula whereby off-track betting corporations are required to pay their regional harness track(s) an amount equal to two percent of the off-track betting corporation's proportionate share of handle after 7:30 p.m. on out-of-state thoroughbred races-once aggregate statewide wagering handle after 7:30 p.m. on such races exceeds \$100 million.

On November 22, 2005, the New York State Racing and Wagering Board directed the Off-Track Betting Corporations, with the exception of Western Regional Off-Track Betting Corporation, to pay their respective regional tracks in accordance with Section 1017-a. 2(b) of the Racing, Pari-Mutuel Wagering and Breeding Law. The off-track betting corporations are to apportion payments to their regional harness tracks pursuant to Section 1017-a.2(b). The payments and supporting schedules should be made no later than thirty (30) days from November 22, 2005.

E. ITEMS FOR BOARD INFORMATION/DISCUSSION

1. STATE REGISTER – PUBLICATION OF NOTICE OF EMERGENCY RULEMAKING – MINIMUM DOSAGE LEVEL OF FUROSEMIDE IN HORSES 08/05-28-E

In September 2005 the Board amended Sections 4043.2 and 4120.2 by emergency rulemaking in relation to minimum required dose of furosemide to be administered to qualifying racehorses.

These amendments became effective on September 23, 2005 upon filing with the Department of State. They will be effective for ninety (90) days through December 21, 2005. A copy of the published notice from the October 12, 2005 *NYS Register* was attached.

2. NASSAU REGIONAL OTB – REQUEST TO AMEND PLAN OF OPERATION/PROMOTIONS

By informational letter dated October 24th, 2005, Richard T. Bennett, Jr., Executive Director of Operations at the Nassau Downs Regional Off-Track Betting Corporation informed the Board of a fundraiser with all benefits from the sale of wrist bracelets being turned over to The Anna House of the Belmont Child Care Association. This sale is in progress at all Nassau OTB branches and its teletheater, The Race Palace, where “Anna House” red bracelets would be sold until the end of November 2005. One wristband would require a donation to the Anna House of two dollars (\$2.00) while three wristbands would require a five-dollar (\$5.00) donation.

The Nassau Downs OTB letter proclaimed, “New York Racing is arriving at a defining moment in our industry and it is imperative that the entities in this State demonstrate a willingness to come together to work towards a common goal. Nassau Downs OTB proposed a program to raise awareness and needed funds to support Anna House and the Belmont Child Care Association. Our State and racing industry are facing a formidable challenge and the future is not clear but Nassau Downs felt it was important to reach out and signal to local racing, the backstretch workers and their families about Nassau Downs’ commitment to racing and the people who make our industry run. It is the hope of Nassau Downs OTB, in the spirit of cooperation, that this first step can lead to greater things in the future for New York Racing and New York State.”

3. INDIAN GAMING - LICENSING STATISTICS – 11/05-01-E

Licensing statistics for October 1, 2005 through October 31, 2005. Also included are the certifications for Mohawk, Seneca Allegany, Seneca Niagara and Oneida

4. GAMES OF CHANCE/BINGO REGISTRATION NUMBERS – 11/05-04-E

List of Games of Chance and Bingo Registration Numbers authorized/denied by the Charitable Gaming Unit between October 12, 2005 – November 8, 2005.

5. GAMES OF CHANCE/BELL JAR TICKETS – 11/05-06-E

List of bell jar tickets authorized/denied by the Charitable Gaming Unit between October 12, 2005 – November 8, 2005.

6. LICENSING – CURRENT RACING LICENSING COUNT – 11/05-07-E

The current racing licensing counts as of October 31, 2005 are as follows: total receipts 13,941 and total licenses 10,843 for the year 2005.

7. 2005 LICENSED SUPPLIERS/MANUFACTURERS – 11/05-05-E

List of 2005 licensed suppliers and manufacturers for the time period of October 1, 2005 through October 31, 2005.

The meeting was adjourned at 12:03 p.m.