

MINUTES
SPECIAL BOARD MEETING OF MARCH 5, 1998
NEW YORK STATE RACING AND WAGERING BOARD

A meeting of the New York State Racing and Wagering Board was held on Thursday, March 5, 1998, in the Executive Office, located at 1 Empire State Plaza, Suite 1201, Albany, New York 12223.

The meeting was called to order at 4:05pm.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman
Bennett Liebman, Member
Edward Martin, Executive Director
Stephanie L. Donato, Secretary to the Board
Robert Feuerstein, General Counsel
James Gallagher, Director of Racing Operations
John Signor, Director of Audits and Investigations

Via Teleconference:

Joseph Neglia, Member

Also in Attendance Were:

Jennifer Whalen, NYSR&WB
Russell Baller, NYSR&WB
Nicole Robilotto, NYSR&WB
Judy Crane, NYSR&WB
David Fellows, Governor's Office
Joseph D'Agostino, Vernon Downs
Tom Hunter, Vernon Downs
Jeremiah Law, Vernon Downs
Edward Leffler, Vernon Downs
Tarky Lombardi, Jr., Vernon Downs
Justice Cheney, Vernon Downs
Lara-Jakes, Times Union
Yancey Roy, Gannett
Leah Walker, NYS Assembly
Carolyn Wildman, Bond, Schoeneck & King

Nadine Shadlak, Shareholder/Vernon Downs
Anthony Mondri, H.H.A. of C.N.Y.
Bruce Hamilton, HHB of NYS
Bill Crowell, Hinman Straub

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

1. THE NEW YORK RACING ASSOCIATION, INC. REQUEST TO APPOINT ERNST & YOUNG AS INDEPENDENT AUDITORS

The Board approved the request of The New York Racing Assoc., Inc. to appoint Ernst & Young, LLP as independent auditors of the financial results of the New York Racing Assoc., Inc. for the year ended December 31, 1997 in accordance with paragraph 231-a of the above referenced statute.

Ernst & Young, LLP is in receipt of paragraph 231-a and has assured the New York Racing Assoc., Inc.'s audit committee that it will fully comply with the reporting requirements therein.

2. MATTER OF WILLIAM THOMAS d/b/a UPSTATE BINGO SUPPLY

The Board approved the recommendation of Hearing Officer Bennett Liebman, that William Thomas, doing business as Upstate Bingo Supply, be found guilty of violating Section 195-o.1 of the General Municipal Law and 9 NYCRR 5607.1 and 5607.16, and that the games of chance supplier's license issued to Thomas and Upstate Bingo Supply be revoked.

3. CONSIDERATION OF THE VERNON DOWNS 1998 TRACK LICENSE

The Board approved the 1998 track license application of Mid-State Raceway to operate a pari-mutuel meet of 125 days from April 3, 1998 until November 29, 1998. Mid-State's license is issued conditioned upon the following:

*Financial audit submitted to the New York State Racing and Wagering Board by April 1, 1998.

*Reimbursement to Capital Improvement Account for monies that were not used for qualified capital improvements. The track must itemize all qualified capital improvement expenditures for 1995, 1996 and 1997 and submit for Board approval. If this request is less than the total amount of CIF revenue that was collected during this period then the track must deposit such amount, plus interest, into the CIF trust account.

*Submission of a Corrective Action Plan to address non-compliance issues outlined in enclosed report no later than 30 days after receipt of the enclosed report.

*Mid-State Raceway must hire a compliance monitor who will report findings directly to the Racing and Wagering Board on a quarterly basis.

In addition, the Board authorized its staff to proceed with the imposition of fines on Mid-State Raceway in the amount of \$416,000.00, subject to suspension of the payment pending a satisfactory compliance report by November 29, 1998. The Notice of Fine will be forwarded under separate cover.

The meeting adjourned at 4:35pm.