

**NEW JERSEY RACING COMMISSION
WEDNESDAY, NOVEMBER 10, 2010
RACING COMMISSION OFFICE
140 EAST FRONT STREET, FOURTH FLOOR
TRENTON, NEW JERSEY**

A meeting of the New Jersey Racing Commission was held on Wednesday, November 10, 2010, in the Racing Commission office located at 140 East Front Street, in Trenton, New Jersey.

The following were present:

Dennis A. Drazin, Chairman
James G. Aaron, Commissioner
Anthony T. Abbatiello, Commissioner
Peter J. Cofrancesco, III, Commissioner
Francis X. Keegan, Jr., Commissioner
Frank Zanzuccki, Executive Director
DAG Judith A. Nason

The following were absent:

Anthony R. Caputo, Commissioner
Noel Love Gross, Commissioner

Executive Director Frank Zanzuccki read the following statement:

“This meeting today conforms with Chapter 231, P.L. 1975, called the “Open Public Meeting Law,” and as per the requirements of the statute, notification of this meeting has been filed with the Secretary of State and with the following newspapers: Daily Racing Form, Bergen Record, Asbury Park Press, Courier-Post and the Newark Star Ledger.

WHEREAS in order to protect the personal privacy and to avoid situations wherein the public interest might be disserved, the Open Public Meetings Act permits bodies to exclude the public from that portion of a meeting at which certain matters are discussed.

NOW, THEREFORE, be it resolved that consistent with the provision of N.J.S.A. 10:4-12(b), the New Jersey Racing Commission will now adjourn to executive session to obtain legal advice protected from disclosure by the attorney-client privilege on the following matters:

Legal advice concerning the allocation of racing dates for thoroughbred and standardbred permit holders for 2011;

Legal advice concerning the settlement agreement of Eric Abbatiello v. NJRC;

Legal advice concerning the resolution of the creation of a new Interstate Racing and Wagering Compact; and

Other legal advice and/or status of pending litigation.

Discussion of the above matters fall within the exceptions under the law; specifically matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the Commission's attorney to exercise her ethical duties as a lawyer and/or matters involving pending or anticipated litigation."

Chairman Drazin motioned to adopt the resolution to adjourn. Commissioner Keegan seconded the motion. Commissioner Aaron stated that he is disqualifying and recusing himself from the Eric Abbatiello matter, and he asked that the discussion of this matter in executive session be conducted at the end of the session so that he can break from the phone and reconvene afterwards. The Executive Director indicated that the Abbatiello matter will not be considered at today's meeting in that there is no quorum to consider the matter. The Commission then adjourned to Executive Session.

The Commission ended the executive session and Chairman Drazin moved to reconvene the public session. Commissioner Abbatiello seconded the motion and the Commission concurring, the public session resumed. It was noted that Commissioner Aaron and Commissioner Cofrancesco are participating by telephone.

CONSIDER APPROVAL OF THE MINUTES OF THE PUBLIC AND EXECUTIVE SESSIONS OF THE SEPTEMBER 15, 2010 MEETING AND THE PUBLIC SESSION MINUTES OF THE SEPTEMBER 30, 2010 COMMISSION MEETING

Chairman Drazin motioned to approve the public and executive session minutes of the September 15, 2010 meetings and the September 30, 2010 public meeting. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE BILLS

Commissioner Aaron made a motion to approve the bills as certified to by staff. Commissioner Abbatiello seconded the motion and all Commissioners voted to approve the bills as certified to by staff.

CONSIDER THE ALLOCATION OF RACING DATES FOR THOROUGHBRED AND STANDARD BRED PERMIT HOLDERS FOR 2011

Executive Director Zanzuccki read the following statement:

In preparation of this day, all interested parties were invited to forward comments in writing to the Commission for consideration. All the 2011 applications have been filed in a timely manner and requested dates have been announced. Each Commissioner has been supplied with the law of date allocations and the history and statistics of prior racing seasons and written comments received from the industry. You now have another opportunity to summarize your positions.

The meeting, in terms of the presentations of the applicants and horsemen's groups, will proceed in the following order:

We will begin with the thoroughbred date request. A representative from Atlantic City Racetrack will present their application. Following this presentation, a representative of the New Jersey Sports and Exposition Authority will present its 2011 Meadowlands and Monmouth Park proposed thoroughbred schedules. Comments from the THA and the members of the public will follow the racetrack presentations. The Commission will then consider a motion concerning thoroughbred dates and vote on the requested dates.

Following the vote on thoroughbred dates, the Commission will then hear the presentation from Freehold Racetrack, followed by presentations from representatives from the NJSEA concerning its proposed 2011 standardbred racing schedule. Comments from the SBOA and members of the public will follow. Once again, following this presentation, the Commission will consider a motion and vote on the requested dates.

In considering the allocation of 2011 racing dates for both thoroughbred and standardbred racing, the Commission will give due consideration to the public interest factors enumerated in the statute. Briefly, those factors are:

1. Protect the State's revenue.
2. Provide for continuity of racing and year-round racing so as to promote the racing industry and maintain and enhance the employment which is provided to this State.
3. Provide recreational opportunity for residents.
4. Maintain and improve this State's competitive position with regard to neighboring racing states.

While these are the main factors, the Commission must also recognize and address such issues as stabling, horse availability, the effect of overlapping racing dates, the financial situation of the various racetracks, the erosion of live racing dates, and the overall status of the racing industry.

New Jersey Sports and Exposition Authority (NJSEA)

Ralph Marra, Esq., General Counsel to the NJSEA, requested that the Commission table its action on the 2011 date requests submitted by the permit holders, pending legislation, however, since the request to table all of the permit holder's date requests is not unanimous, he does not wish to go forward with the request. It was clarified that the Racing Commission can act to table the NJSEA's request, however, the statute requires that action must be taken before December 1 on race date requests filed by October 15. In order to extend the Commission acting on the 2011 race dates prior to December 1, the permit holders must withdraw their date requests at this time. The Commission will not be compelled by law to act prior to December 1. The racetracks indicated they do not wish to withdraw their 2011 date requests. Mr. Marra indicated that the NJSEA will ask the Commission to consider the 2011 date request at this time, as long as the Commission can consider an amended date request in December.

It was noted that Chairman Drazin has recused himself from the thoroughbred race date agenda item and will abstain from the standardbred race date item.

Consider the Request to Table the NJSEA 2011 Race Dates

Commissioner Aaron motioned to reject the request of the NJSEA to withdrawal dates and move forward with consideration of the 2011 dates as submitted. Commissioner Keegan seconded the motion and all Commissioners voted yes, with the exception of Chairman Drazin who recused himself.

THOROUGHBRED RACE DATESAtlantic City Race Course

Maureen Gallagher-Bugdon, President of Atlantic City Race Course, requested six days of racing—April 28, 29, 30 and May 1, 2 and 3. Ms. Bugdon asked ACRA's prior written documents to the Commission be considered as part of the record. She advised the 2010 meet was even more successful than the prior year and included the support of the south Jersey legislators and the town of Hamilton, New Jersey. Commissioner Aaron inquired as to why Atlantic City does not apply for more race dates since the meets are gaining in success. Ms. Bugdon responded that the race course is conducting as many dates as possible given the amount of available purse money and that the accumulation of purse money is being dedicated to the six days of racing.

Monmouth Park and the Meadowlands Racetrack

Lennon Register, Senior Vice President for Racing on behalf of the New Jersey Sports and Exposition Authority (NJSEA), requested 104 thoroughbred dates at Monmouth Park, beginning May 7 and ending September 30, and also 37 thoroughbred dates, under the Meadowlands' permit which will be run at Monmouth Park, beginning October 1 through November 20. Mr. Register stated that it is NJSEA's intent to amend this request pending discussion with the thoroughbred horsemen which may include a reduction in days, or a change in venue. It was noted that if the Meadowlands' dates are conducted at Monmouth Park, the NJSEA will not be permitted to simulcast that meet to the Atlantic City casinos because the law requires that a minimum of five live dates be run at the Meadowlands Racetrack.

Thoroughbred Horsemen's Association

Michael Musto, Executive Director of the THA, referenced his previous letter to the Commission in which the THA requests that ACRA conduct two race meets—a spring meet and a fall meet, which he suggested could be funded by the parent company of ACRA. Mr. Minutes of November 10, 2010

Musto indicated opposition to the Meadowlands conducting its race meet at Monmouth Park because the THA would lose a great deal of simulcasting money which aids in funding the thoroughbred meet.

There were no further comments on the thoroughbred race dates.

Commissioner Keegan made the following motion:

The Racing Commission has received 2011 race date applications for thoroughbred racing from the Meadowlands Racetrack, Monmouth Park and Atlantic City Racecourse. The Racing Commission has also considered materials from staff and any commentary offered.

The application of the Meadowlands Racetrack - thoroughbred - proposed a 37 day meet from October 1 through November 20, 2011 to be held at Monmouth Park. The application for Monmouth Park includes 104 race dates commencing May 7, 2011 and ending September 30, 2011.

The application of Atlantic City Racecourse for 2011 consists of a six-day meet on April 28, 29, 30 and May 1, 2, and 3.

The 2011 race date applications reflect in the aggregate 147 thoroughbred dates.

I believe that approval of the thoroughbred race date applications is in the public interest as set forth in N.J.S.A. 5:5-22, et seq., specifically defined in the section 43 and 44. I believe that approval of these dates is consistent with the Racing Commission's obligation to endeavor to allot to each applicant the dates requested in the respective applications after giving due consideration to all factors involved including the interests of such applicants, the industry participants, and the public.

I believe an approval of the thoroughbred race date application, while not achieving a year-round circuit, does provide for reasonable continuity of racing from April 28 to November 20, 2011. This schedule shall serve to: promote the thoroughbred industry, maintain and enhance the employment which thoroughbred racing provides, encourages horses to stay in New Jersey, provides the maximum possible revenue to the State and to the New Jersey horsemen, will help the state maintain its competitive position in relation to neighboring states, and provides for recreational opportunities for New Jersey residents who desire to attend thoroughbred races.

In making this Motion, I note that the dates applied for satisfy the conditions of the Off-track and Account Wagering Act as amended, and approval would therefore be

compatible with the issuance to the New Jersey Sports and Exposition Authority of an account wagering license.

In making this Motion, which calls for the approval of the race date applications consistent with conditions recommended by staff, consideration was given of the dates proposed by the other breed of racehorse. In making respective allocations of race dates for each horse breed, the Commission is mindful of the benefits of providing a continuity of thoroughbred and standardbred racing between and amongst each horse race breed to the extent feasible, while minimizing harmful intrastate competition.

I, therefore, move for the following:

- 1) Approval of the 2011 application of the Atlantic City Racecourse for a six-day meet;
- 2) Approval of the 2011 thoroughbred race date applications of the Meadowlands Racetrack and Monmouth Park that totals 141 dates; and
- 3) As part of this Motion, I propose that the Executive Director be authorized to issue Orders of Allocation consistent with the determination of the full Commission.

Commissioner Abbatiello seconded the motion and all Commissioners voted yes with the exception of Chairman Drazin who recused himself from this item.

STANDARD BRED RACE DATES

Freehold Raceway

Howard Bruno, General Manager of Freehold Raceway, requested 168 race dates beginning January 1 through June 11 and August 18 through December 31. Mr. Bruno indicated he reserves the right to amend this date request.

Meadowlands Racetrack

Lennon Register, Senior Vice President for Racing on behalf of the New Jersey Sports and Exposition Authority, requested 81 standardbred dates, beginning January 7 and ending August 20 and another 60 race dates from October 1 through December 31, for a total of 141 days. The NJSEA is hopeful for the passage of legislation that will allow the dates to be reduced to 101.

Standardbred Breeders' and Owners' Association

Thomas Luchento, President of the S.B.O.A., had no objection to the race dates, and no objection to the reduction in standardbred dates, however, he believed the reduction in dates to be 100. Mr. Register responded the 101 dates is due to the calendar format for 2011.

Thoroughbred Horsemen's Association

Michael Musto, Executive Director of the THA, referenced his prior comments in opposition to the Meadowlands conducting a fall meeting at Monmouth Park.

There were no further comments on the standardbred race dates.

Commissioner Keegan made the following motion:

The Racing Commission has received 2011 race date applications for standardbred racing from the Meadowlands Racetrack and Freehold Raceway. The Racing Commission has also considered materials from staff and any commentary offered.

The application of the Meadowlands Racetrack - harness - seeks approval to race a total of 141 dates. Racing will be held from January 7, 2011 through December 31, 2011.

Freehold Raceway proposes to race 91 days from January 1, 2011 through June 11, 2011 and 77 days from August 18, 2011 through December 31, 2011 for a total of 168 dates.

The 2011 standardbred race date applications reflect in the aggregate 309 harness dates.

I believe that approval of the race date applications is in the public interest as set forth in N.J.S.A. 5:5-22, et seq., specifically defined in the Section 43 and 44. I believe that approval of these dates is consistent with the Racing Commission's obligation to endeavor to allot to each applicant the dates requested in the respective applications after giving due consideration to all factors involved including the interests of such applicants, the industry participants, and the public.

The proposed schedule of racing dates allows for an orderly transition of standardbred horses from one facility to another, provides for continuity of standardbred racing, and reflects a schedule for year-round harness racing. This schedule will serve to promote the standardbred racing industry, maintain and enhance the employment which it provides, provide revenue to the state and horsemen, help the State maintain and improve its competitive position in relation to neighboring states, and provide for recreational opportunities for New Jersey residents who choose to visit standardbred racetracks.

In making this Motion, I note that the dates applied for satisfy the conditions of the Off-track and Account Wagering Act as amended, and approval would therefore be compatible with the issuance to the New Jersey Sports and Exposition Authority of an account wagering license.

In making this Motion, which calls for the approval of the race date applications consistent with conditions recommended by staff, consideration was given of the dates proposed by the other breed of racehorse. In making respective allocations of race dates for each horse breed, the Commission is mindful of the benefits of providing a continuity of thoroughbred and standardbred racing between and amongst each horse race breed to the extent feasible, while minimizing harmful intrastate competition.

I, therefore, move for the following:

- 1) Approval of the 2011 application of the Freehold Raceway for a 168 day meet;
- 2) Approval of the 2011 harness race date application of the Meadowlands Racetrack for a total of 141 dates;
- 3) As part of this Motion, I propose that the Executive Director be authorized to issue Orders of Allocation consistent with the determination of the full Commission.

Commissioner Abbatiello seconded the motion and all Commissioners voted yes with the exception of Chairman Drazin who abstained.

CONSIDER THE PETITION OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY FOR APPROVAL TO RENEW THE ACCOUNT WAGERING LICENSE FOR 2011

Commissioner Keegan made the following motion:

The Racing Commission has received, from the New Jersey Sports and Exposition Authority, an application for the 2011 renewal of its account wagering license;

And the Authority, by said application, and subject to a contract extension or new contract for 2011, has given proposed to use Scientific Games, LLC now known as Sportech Racing, LLC, as the totalisator provider, IVR/telephone wagering provider, and internet wagering provider in connection with the 2011 license renewal term;

In addition to the receipt of the application materials submitted by the Authority, the Racing Commission has been provided with materials from its staff, as well as a proposed order with license conditions as to the Authority and Sportech, should the Racing Commission determine to grant the relief requested through the Authority's application. In reviewing these materials, I would note that the license conditions properly include that the license renewal decision of this Commission is subject to the review and approval of Attorney General Paula T. Dow.

Based upon my review, I find that the Authority continues to meet the legal requirements set forth in the "Off-Track and Account Wagering Act," and continues to meet all the requirements set forth in the Racing Commission's related regulations. I also find that Sportech is qualified to provide totalisator services in connection with the account wagering system, and as a Racing Commission licensed vendor in such capacity, is appropriately licensed and qualified to provide IVR/telephone wagering and internet wagering services to the Authority. I further find that the Authority, as well as Sportech, are in substantial compliance with the conditions and license terms previously imposed upon them. I also find that the proposed order and license conditions for 2011, as to each, are satisfactory and appropriate.

I would also note that in connection with our recent approval of Sportech Racing to acquire Scientific Games, LLC, we apprised Sportech of various issues regarding the account wagering system, including slowness and unreliability on high volume wagering days; patrons encountering potentially misleading and/or incomplete information when attempting to wager on a coupled entry; patron problems with multiple leg wagers; and wagering issues regarding Monmouth Park.

In our public discussion with Sportech, Sportech committed to resolving these issues, and we fully expect they will do so. We also anticipate, and expect, that the Authority will jointly work with Sportech in addressing these areas of our concern. I believe that this would be appropriate for addressing through a license condition, and this motion proposes such.

I therefore move that the Authority's renewal application be approved, and that the Authority's request to utilize Sportech as a vendor for the noted services be approved subject to a contract extension or new 2011 contract.. I further move that: this Racing Commission authorize the Executive Director to issue the proposed order and license conditions as to the Authority and Sportech; and that the issuance of the account wagering renewal license is subject to and conditional upon the approval of the determination of this Commission by the Attorney General.

Commissioner Aaron seconded the motion and all Commissioners voted yes.

There were no comments on this item.

CONSIDER THE PETITION OF THE PERMITTED RACETRACKS, AND RELATED ENTITIES, FOR APPROVAL TO RENEW THE FOLLOWING OFF-TRACK WAGERING LICENSES:

- a) Woodbridge Township 1/1/11 through 12/31/11
- b) Toms River Township 1/1/11 through 12/31/11
- c) Vineland City 1/1/11 through 12/31/11
- d) Bayonne City 1/1/11 through 12/31/11

The Racing Commission received an application from the NJSEA yesterday asking that the Commission reject the off-track wagering license renewals for Toms River and Vineland and to invalidate the terms of the participation agreement. Therefore, in light of this application and based upon advice of counsel, Commissioner Aaron motioned to table this matter until such time in December (December 16 or 17). Subsequent to this meeting, the Commission will issue a letter to all parties setting forth a schedule for submission of documents and responses in order for all parties to have an opportunity to respond to this application before the meeting in December. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

There was no discussion on this agenda item.

SIMULCASTING

Casino Simulcasting

Consider approval of Bally's Park Place, Inc. (Bally's Atlantic City), Marina District Development Company, LLC (Borgata Hotel Casino and Spa), the Boardwalk Regency Corporation (Caesars Atlantic City), Harrah's Atlantic City Operating Company (Harrah's Resort Atlantic City), Showboat Atlantic City Operating Company, LLC (Showboat Casino Hotel), and Trump Taj Mahal Casino Resort to receive simulcast horse races (thoroughbred and standardbred) from approved out-of-state tracks, through December 31, 2010, pursuant to N.J.S.A. 5:12-199

Commissioner Aaron motioned to approve the item. Commissioner Abbatiello seconded the motion.

Comment was heard from Michael Musto, on behalf of the THA. Mr. Musto indicated that the THA has not granted approval for any of the simulcasting requests contained on this agenda.

The Executive Director stated that the following simulcasting agenda items are subject to Racing Commission Schedules A through H, including all state and federal laws, and other such conditions as staff deems necessary.

Following a roll call of the Commissioners, all Commissioners voted yes.

Consider approval of the following racetrack permit holders to conduct casino simulcasting (to casinos approved or to be approved), through December 31, 2011, for dates granted pursuant to their respective 2011 annual applications for horse race meetings: Monmouth Park, Freehold Raceway, Meadowlands Racetrack and Atlantic City Race Course

The Commission noted that the Meadowlands Racetrack (thoroughbred meet) does not qualify under the law to conduct casino simulcasting because the 2011 Meadowlands' thoroughbred dates are scheduled to be run at Monmouth Park, and the law requires that the permit holder conduct a minimum of five live racing programs.

Commissioner Aaron motioned to approve the item (with the exception of the Meadowlands' thoroughbred meet). Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

Consider the request of Sportech Racing, LLC, to act as a hub facility at the Mount Laurel Data Center, through December 31, 2011, concerning: casino simulcasting pursuant to N.J.S.A. 13:71 et seq., to Bally's, the Borgota, Caesars, Harrah's, Showboat and the Taj Mahal, and to any other casinos to be approved for casino simulcasting

Commissioner Abbatiello motioned to approve the agenda item. Commissioner Keegan seconded the motion and all Commissioners voted yes.

Consider the applications for approval of the attached list of out-of-state racetracks to participate in casino simulcasting (to casinos approved or to be approved) for selected dates through 2011

Commissioner Aaron made a motion to approve the agenda item. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

Consider the request of the approved casinos to enter into an agreement (which may call for the payment of more than three-and-a half percent of the casino pari-mutuel pool to the sending track)

- Five percent for the Lanes End from Turfway Park on March 26, 2011
- Six percent for the Santa Anita Handicap from Santa Anita Park on March 5, 2011
- Six percent for the Florida Derby from Gulfstream Park on April 3, 2011
- Six percent for the Santa Anita Derby from Santa Anita Park on April 9, 2011
- Six percent for the Wood Memorial from Aqueduct Racetrack on April 9, 2011
- Five percent for the Blue Grass Stakes from Keeneland Racetrack on April 16, 2011
- Six percent for the Kentucky Derby from Churchill Downs on May 7, 2011
- Six percent for the Preakness from Pimlico Race Course on May 21, 2011
- Six percent for the Metropolitan Handicap from Belmont Park on May 30, 2011
- Six percent for the Belmont Stakes from Belmont Park on June 11, 2011
- Six percent for the Woody Stephens BC from Belmont Park on June 11, 2011
- Six percent for the Just a Game from Belmont Park on June 11, 2011
- Six percent for the Manhattan Handicap from Belmont Park on June 11, 2011
- Six percent for the Kings Bishop from Saratoga Race Course on August 27, 2011
- Six percent for the Travers Stakes from Saratoga Race Course on August 27, 2011
- Six percent for the Woodward from Saratoga Race Course on September 3, 2011

Commissioner Aaron motioned to approve the agenda item. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

Racetrack Simulcasting

Consider a request of the approved New Jersey racetracks to conduct inter and intra-state, common pool and separate pool simulcasting with approved racing facilities and off-track betting locations

Commissioner Aaron motioned to approve the agenda item. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

Consider a request of Sportech Racing, LLC, to act as a hub facility at the Mount Laurel Data Center to handle approved simulcast and live wagering activities in connection with the following racetracks: Meadowlands Racetrack, Monmouth Park, Freehold Raceway and Atlantic City Race Course

Commissioner Aaron motioned to approve the agenda item. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

New Jersey Account Wagering and Off-Track Wagering

Consider a request of the New Jersey Sports and Exposition Authority to conduct account wagering with all approved racing facilities

Commissioner Abbatiello motioned to approve the agenda item. Commissioner Keegan seconded the motion and all Commissioners voted yes.

Consider a request of Sportech Racing, LLC, to act as a hub facility at the Mount Laurel Data Center through December 31, 2011 concerning account wagering and off-track wagering pursuant to N.J.A.C. 13:74 et seq.

Commissioner Aaron motioned to approve the agenda item. Commissioner Keegan seconded the motion and all Commissioners voted yes.

Consider the application for approval of the attached list of in-state and out-of-state racetracks to participate in simulcasting (with off-track wagering facilities approved or to be approved) through December 31, 2011

Commissioner Aaron motioned to approve the agenda item. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE RACETRACKS, APPROVED CASINOS, NEW JERSEY ACCOUNT WAGERING SYSTEM AND APPROVED OFF-TRACK WAGERING FACILITIES TO CONDUCT ADVANCE WAGERING (FULL OR PARTIAL CARD) ON THE FOLLOWING RACES OF NATIONAL INTEREST: ARC DE TRIOMPHE, BELMONT STAKES, BREEDERS CROWN DAY, BREEDERS CUP (ULTRA PICK 6), CANE PACE, CLAIMING CROWN, DUBAI RACING, ELITOPP (SWEDEN), FLORIDA DERBY, KENTUCKY DERBY, HAMBLETONIAN ELIMINATIONS DAY, HAMBLETONIAN DAY, HASKELL INVITATIONAL, JAPAN CUP, MEADOWLANDS PACE DAY, MELBOURNE CUP, PENNSYLVANIA DERBY, PREAKNESS, PRIX D' AMERIQUE RACE, SANTA ANITA DERBY, SANTA ANITA HANDICAP, TRAVERS, AND WOODFORD RESERVE.

Commissioner Aaron motioned to approve the request of the racetracks, casinos and account wagering and off-track wagering facilities to conduct advance wagering on the listed races of national interest. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE RACETRACKS, APPROVED CASINOS, NEW JERSEY ACCOUNT WAGERING SYSTEM AND APPROVED OFF-TRACK WAGERING FACILITIES TO OFFER 2011 SPECIAL WAGERS OF NATIONAL INTEREST AND CONDUCT ADVANCE WAGERING.

Commissioner Aaron motioned to approve the request of the racetracks, casinos and account wagering and off-track wagering facilities to offer special wagers of national interest and conduct advance wagering on those races. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER RATIFICATION OF APPROVAL OF MEADOWLANDS 2010 HARNESS WAGERING FORMAT, ADMISSION PRICES, DEPARTMENT HEADS, ETC.

Commissioner Abbatiello made a motion to ratify the approval of the 2010 harness format of the Meadowlands Racetrack. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE MEADOWLANDS 2011 HARNESS WAGERING FORMAT, ADMISSION PRICES, DEPARTMENT HEADS, ETC.

Commissioner Abbatiello motioned to approve the 2011 harness format of the Meadowlands Racetrack. Commissioner Aaron seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF FREEHOLD RACEWAY'S 2011 HARNESS WAGERING FORMAT, ADMISSION PRICES, DEPARTMENT HEADS, ETC.

Commissioner Abbatiello motioned to approve the 2011 harness format of Freehold Raceway. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER RATIFICATION OF THE APPROVAL GRANTED FOR THE FOLLOWING HANDICAPPING CONTESTS:

September 19, 2010 at Monmouth Park on live Monmouth Park races and the Woodbine simulcast races; and

October 23, 2010 at Monmouth Park on live Monmouth Park races and the Belmont Park and Keeneland Race Course simulcast races

Commissioner Abbatiello made a motion to ratify approval granted to Monmouth Park for the noted handicapping races. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE BACKSTRETCH ADVISORY BOARD FOR APPROVAL OF THE 2011 BACKSTRETCH PROGRAM BUDGET

It was noted that the total budget submitted for 2011 is in the amount of \$190,532 which represents slightly less than a \$45,000 reduction from the prior year budget due to the scaled down chaplaincy program. Staff recommends approval of the budget.

Commissioner Aaron motioned to approve the budget. Commissioner Keegan seconded the motion.

Chairman Drazin inquired if there was sufficient funding at present to fund the full budget. The Executive Director indicated that there is enough funding for the budget until July 1, subsequently, additional money will be generated for the remainder of the year. It was discussed that the funding for the Backstretch Program is being reduced due to the decrease in handle and other factors, and this issue should be addressed in the future to secure another source of funding for the continuation of the program.

A roll call of Commissioners indicated that all Commissioners voted yes.

CONSIDER A RESOLUTION CONCERNING THE CREATION OF A NEW INTERSTATE RACING AND WAGERING COMPACT

The Commission allowed for public comment on the creation of a new interstate racing and wagering compact.

Christopher McErlean, President of Pennwood Racing, and Vice President of Penn National Gaming, commented that his organization is familiar with the compact and is involved with multiple racing jurisdictions. The concern is the scope of the compact regarding medication and racing rules, and endorses that these issues should be standardized across the county. Beyond this scope, however, the organizations are skeptical of overarching as to what regulations or powers might be given through this compact.

Michael Musto, Executive Director of the THA, indicated that there is not support or opposition from the surrounding horsemen's groups or the national horsemen's association in regard to the compact, therefore, the New Jersey horsemen will remain in a "wait and see" position.

The Executive Director stated that the creation of the compact will be a long process and the concerns of the horsemen and other parties will be addressed as the compact moves forward and people become familiar with the limitations of the compact. Prior to the compact becoming effective, it will require a participation of at least six states and passage of legislation. The Director further stated that staff believes the benefits of the compact far away any potential negative aspects.

There was no further comment on this item and no opposition presented to the Commission in writing or at this meeting.

Chairman Drazin made the following motion:

Whereas the Commission has considered information presented to it regarding the creation of a new Interstate Racing and Wagering Compact and

Whereas the purpose of this Compact is to facilitate interstate cooperation and to achieve uniformity in the regulation of racing by the member states;

Whereas the Compact will create a central forum to research, collect data and draft uniform rules applicable to racing; and

Whereas membership in the Compact will likely result in cost savings through the consolidation of resources needed for rule making; and

Whereas the creation of this Compact will benefit the horse racing industry and all states which participate.

Be it here resolved that the New Jersey Racing Commission affirmatively supports the formation of the proposed Interstate Racing and Wagering Compact and pledges to advocate for the enactment of legislation in this State that is necessary to permit the participation of this Commission.

Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE READOPTION OF N.J.A.C. 13:70 (HORSE RACING), 13:71 (HARNESS RACING) AND 13:71 (HORSE RACING INJURY COMPENSATION) PURSUANT TO N.J.S.A. 52:14B-1, ET SEQ.

The time period for the submission of comments to this proposed re adoption has expired and the Commission has received one comment from Susan E. Craft, Executive Director of the State Agriculture Development Committee. Director Craft's comment concerns the Agricultural Industry Impact statement contained in the proposed re adoption. The Committee disagrees with the Racing Commission's statement that racehorses are not considered livestock for the purpose of determining impacts to the agricultural industry and requests that the Commission discontinue this statement. After staff consulting with the Office of Administrative Law, the Division of Administrative Rules, the Commission is accepting the comment and will discontinue use of the statement.

Commissioner Aaron motioned to accept the comment on the proposal and to grant the re adoption. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER FOR ADOPTION PROPOSED NEW RULES N.J.A.C. 13:70-1.42 AND 13:71-1.37 (CONTINUATION OF CERTAIN RACE EVENTS IN EVENT OF DECLARED STATE OF EMERGENCY)

The time period for the submission of comments to this proposal has expired and the Commission has received two comments in regard to the proposal. The first comment was submitted by Executive Director Susan E. Craft, of the State Agriculture Development Committee, again requesting that the Commission discontinue stating that racehorses are

not considered livestock for the purpose of determining impact to the agricultural industry. The second comment was submitted by Barbara Sachau in which she opposes the continuation of racing. The Commission is accepting the comment submitted by the State Agriculture Development Committee and disagrees with the comment submitted by Barbara Sachau.

Commissioner Aaron motioned to accept the comment submitted by the Committee and to reject the comment of Barbara Sachau and to proceed with the adoption of the proposal. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER FOR ADOPTION PROPOSED AMENDMENTS TO N.J.A.C. 13:74A-2.1 AND 5.1 (SELF-EXCLUSION LIST) AS IT RELATES TO THE APPLICATION FOR PLACEMENT ON THE SELF-EXCLUSION LIST

The time period for the submission of comments to this proposal has expired and the Commission has received two comments in regard to the proposal. The first comment was submitted by Executive Director Susan E. Craft, of the State Agriculture Development Committee, and concerns the same subject regarding the Agricultural Industry Impact Statement. The second comment was received by Donald Weinbaum, Executive Director of the Council on Compulsive Gambling in support of the amendments. The Commission is accepting the comments submitted in regard to the proposal.

Commissioner Aaron motioned to accept the comments submitted and to proceed with the adoption of the proposal. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER FOR ADOPTION PROPOSED AMENDMENTS TO N.J.A.C. 13:71-17.1 AS IT RELATES TO THE IMPLEMENTATION OF A FAIR START POLE

Commission staff recommended to table this item because the comment period has not yet expired and the proposal will be considered at a future meeting.

Commissioner Aaron motioned to table the matter and Commissioner Keegan seconded the motion. All Commissioners voted yes.

CONSIDER AN AMENDMENT TO N.J.A.C. 13:70-14A.9 AND 13:71-23.8 (ADMINISTERING MEDICATION TO RESPIRATORY BLEEDERS; STANDARDS FOR THE ADMINISTRATION OF NON-STEROIDAL ANTI-INFLAMMATORY DRUGS (NSAID) AND ANTI-ULCER MEDICATIONS; ENVIRONMENTAL CONTAMINANTS)

The proposed amendment will permit that racehorses have no more than 2 micrograms per milliliter of Phenylbutazone (a non-steroidal anti-inflammatory drug) in its system on race day. The current rule provides for a threshold of 5 micrograms per milliliter of Phenylbutazone. The amendment contains the recommendation and support of the Mid-Atlantic area regulatory veterinarians and regulatory entities. There are several organizations that oppose the change in the regulation due to the lack of scientific studies to warrant the reduction in the threshold amount. These concerns were not considered as meaningful because regulators were concerned in ensuring the safety of the racehorse and the participants. The ARCI Regulatory Veterinary Committee determined to move forward to the 2 micrograms per milliliter change in threshold due to the concerns expressed by examining veterinarians that the soundness of a horse is masked by the current higher level of Phenylbutazone level which compromises their ability to properly evaluate the horses.

Comment was heard from the SBOA who are opposed to the amendment and the THA indicated their support.

Commissioner Abbatiello motioned to advertise the proposed amendment. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE SETTLEMENT AGREEMENT IN THE MATTER OF ERIC ABBATIELLO V. NEW JERSEY RACING COMMISSION

It was noted that there was not a quorum of Commissioners necessary to vote on this agenda item, therefore, the matter is tabled.

NEW BUSINESS

Chairman Drazin inquired of the parties involved in the recent application filed by the NJSEA asking the Commission reject the license renewals of the Toms River and Vineland off-track wagering site, if they would have an interest in mediating the issue. The NJSEA stated they would agree to mediation. Mr. Christopher McErlean, representing the Toms River site, stated he would take the subject of mediation under advisement.

There being no further discussion or comments from the public, Commissioner Keegan moved that the meeting be adjourned subject to the provisions of the “Open Public Meeting Act.” Commissioner Abbatiello seconded the motion and it was approved unanimously.

ATTEST:

Executive Director Frank Zanzuccki