

**NEW JERSEY RACING COMMISSION
FRIDAY, OCTOBER 7, 2011
LIBRARY ROOM
MONMOUTH PARK
OCEANPORT, NEW JERSEY**

A meeting of the New Jersey Racing Commission was held on Friday, October 7, 2011, in the Library Room of Monmouth Park, located in Oceanport, New Jersey.

The following were present:

Dennis A. Drazin, Chairman
Anthony T. Abbatiello, Commissioner
Manny E. Aponte, 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

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:

1. Legal advice concerning the distribution of the Casino Simulcasting Special Fund monies (accumulated in 2010) pursuant to N.J.S.A. 5:12-205d.
2. Legal advice concerning the authority of the Executive Director to order that purse money earned by the horse “Crys Dream” from June 29, 2011 through and including September 26, 2011 shall be held pending the issuance of a final decision on the horse’s eligibility to race during this 90-day period.
3. Other matters requiring the legal advice of counsel.

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.”

Prior to the Commission entering executive session, Michael Schottland, Esq., on behalf of the owners of the horse “Crys Dream,” asked to address the Commission. He questioned whether he would be allowed to address the Commission during the public portion of the meeting. DAG Nason recommended that the Commission will make this determination after they receive legal advice in executive session. Mr. Schottland then asked whether Executive Director Zanzuccki was going to recuse himself from the matter of “Crys Dream,” because of the pending civil Federal law suit in which he is a defendant. Chairman Drazin deferred to counsel. DAG Nason responded that the decision whether to recuse himself lies with the Executive Director and indicated that legal advice provided by the Attorney General’s office concerning this matter is confidential and should not be discussed in public session. The Commission determined to address Mr. Schottland’s request to be heard after they receive legal advice.

Commissioner Keegan then motioned to adopt the resolution to adjourn. Commissioner Cofrancesco seconded the motion and the Commission adjourned to Executive Session.

The Commission ended the executive session and Chairman Drazin motioned to return to public session. Commissioner Abbatiello seconded the motion and the public session resumed.

CONSIDER APPROVAL OF THE MINUTES OF THE PUBLIC AND EXECUTIVE SESSIONS OF THE JULY 29, 2011 AND AUGUST 11, 2011 COMMISSION MEETINGS

Commissioner Abbatiello made a motion to approve the public and executive session minutes of the July 29, 2011 and August 11, 2011 public meetings. Chairman Drazin seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE BILLS

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

CONSIDER THE AUTHORITY OF THE EXECUTIVE DIRECTOR TO ORDER THAT PURSE MONEY EARNED BY THE HORSE "CRYS DREAM" FROM JUNE 29, 2011 THROUGH AND INCLUDING SEPTEMBER 26, 2011 SHALL BE HELD PENDING THE ISSUANCE OF A FINAL DECISION ON THE HORSE'S ELIGIBILITY TO RACE DURING THIS 90-DAY PERIOD

Chairman Drazin moved to deny the request to place the issue of the Executive Director's authority to order that the purse from the Hambletonian Oaks won by "Crys Dream" be placed upon the agenda of a Commission meeting for the Commission's consideration based upon legal advice received by the Attorney General's Office and to direct the Commission's counsel to respond to the legal issues raised by Mr. Schottland related to his request for an order.

Commissioner Abbatiello seconded the motion. There was no discussion on the motion. All of the Commissioners voted yes.

CONSIDER DISTRIBUTION OF THE CASINO SIMULCASTING SPECIAL FUND ACCUMULATED IN 2010, PURSUANT TO N.J.S.A. 5:12-205d

Chairman Drazin recused himself from this agenda item and took a seat in the audience.

At this time, Alex Dadoyan, Assistant Vice President, representing the New Jersey Sports and Exposition Authority, was called upon to address the Commission. Mr. Dadoyan stated that the NJSEA relies on its written submission and precedent that the Commission has established in prior years identifying the harm done to the Meadowlands through casino simulcasting as well as the track's financial distress.

The Commission then called upon Freehold Raceway. Mr. Bruce Garland, representing Freehold Raceway, addressed the Commission and indicated that Freehold Raceway is requesting monies under the first two priority considerations, that is, the negative impact from casino simulcasting and the financial distress of the raceway. Mr. Garland suggested that this year, the Commission consider proximity to the Atlantic City casinos as the most important issue in the first priority category.

Maureen Bugdon, President of Atlantic City Race Course, addressed the Commission and stated that Atlantic City Race Course relies on its written statement. Ms. Bugdon added the Atlantic City Race Course believes it qualifies under the two priority factors and stressed the track's close proximity to the New Jersey casinos which has directly negatively impacted the track's business.

The Standardbred Breeders' and Owners' Association was represented by Dennis Dowd. Mr. Dowd stated that the standardbred horsemen stand on their written submission and believe last year's share was fair.

Michael Musto, Executive Director of the Thoroughbred Horsemen's Association, addressed the Commission and relied on its written submission. Mr. Musto indicated that last year, the thoroughbred horsemen spent \$1 million dollars for horsemen's benefits and they are, therefore, requesting additional funds to provide for the anticipated increase in benefits for the upcoming year.

Michael Campbell, President of the Thoroughbred Breeders' Association, indicated that he had no further comments.

Commissioner Aponte called upon Monmouth Park to obtain their views on the issue of proximity to the casinos. Mr. Bill Knauf, representing the racetrack, stated that the issue is real and has hurt the racetrack.

Alex Dadoyan, representing the NJSEA, stated that proximity to the casinos should not be the deciding factor because the Atlantic City casinos are drawing business from the entire state and neighboring areas. Mr. Dadoyan stated that the racetracks that are closest to the Atlantic City casinos do not create a large handle, therefore, they are not as negatively impacted as the racetracks which are located further away from the Atlantic City area.

A question was posed by the Executive Director to the NJSEA as to where any CSSF monies awarded will be earmarked. Mr. Dadoyan indicated his understanding that the money is strictly for use by the NJSEA to offset losses, including purse overpayments and to revitalize the Meadowlands facility in order to transition the racetrack to the private operator. A brief discussion took place regarding the need for the NJSEA to identify how CSSF funds distributed to the NJSEA will be used. Executive Director Zanzuccki indicated that the NJSEA's verbal representation regarding this matter should be considered sufficient. Mr. Dadoyan emphasized that while the NJSEA is in the process of getting out of the horse racing business, there continues to be significant financial obligations that they will incur relating to racing.

Maureen Bugdon, President of Atlantic City Race Course, stated that the CSSF is a fund that was established when the Atlantic City casinos began to offer simulcasting in their facilities and that is why it is directly attributed to the negative impact of casino simulcasting and not casinos in general. She also stated that when the Atlantic City Race Course began to reduce the number of race dates, the racetrack began to receive less fund money. Now the Commission has the unique perspective of being able to consider other tracks who are reducing their days.

There were no further comments from the racetracks, horsemen's groups or members of the public. Commissioner Aponte made a motion to close the record. Commissioner Keegan seconded the motion and all Commissioners voted yes with the exception of Chairman Drazin who had recused himself.

Commissioner Aponte motioned that a transcript of the additional oral comments made before the Commission today would be forwarded to each Commissioner and that staff prepare a draft motion to be provided to each Commissioner and that the Commission defer decision on this matter until the next scheduled meeting in November 2011. Commissioner Abbatiello seconded the motion and all Commissioners voted yes with the exception of Chairman Drazin who had recused himself.

CONSIDER THE REQUEST OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY TO AMEND THE STANDARD BREED RACE SCHEDULE FOR 2011

The NJSEA requested the Commission to approve to amend the standardbred race meet of the Meadowlands Racetrack which eliminates the 60 race dates which were to be conducted beginning September 8, 2011. The Commission acknowledged receipt of a letter from the Standardbred Breeders' and Owners' Association consenting to the elimination of the 60 race dates.

The Commission indicated that it was reserving the issue of whether or not the NJSEA had violated the conditions of its 2011 standardbred permit requiring 141 race dates, including those scheduled to begin on September 8, 2011, for further consideration.

Chairman Drazin motioned to grant the request of the NJSEA provided there is no objection from the SBOA. Commissioner Abbatiello seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY TO RESCHEDULE THREE WEATHER-RELATED DAYS (JULY 23, AUGUST 27, 28) AT MONMOUTH PARK TO OCTOBER 14, 21 AND 28, 2011

Chairman Drazin recused himself from this agenda item and took a seat in the audience.

Commissioner Abbatiello motioned to approve the rescheduled three race dates. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY TO AMEND THE MEADOWLANDS AT MONMOUTH MEET SCHEDULED FOR SEPTEMBER 21 THROUGH DECEMBER 31, 2011

The Executive Director stated that the Racing Commission received a letter from the NJSEA asking the Commission to table the matter in order to allow the parties to continue to negotiate a settlement concerning the Meadowlands and Monmouth Park race dates.

Chairman Drazin moved to grant the request of the NJSEA to table this matter and asked that the matter be rescheduled by way of a public meeting to be held by telephone on October 19, 2011 at 2:00 p.m. Commissioner Keegan 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 3.5 PERCENT OF THE CASINO PARI-MUTUEL POOL TO THE SENDING TRACK) TO RECEIVE THE SIGNAL OF FOLLOWING RACES PURSUANT TO N.J.S.A. 5:12-201B:

- a) Six percent for the following (15) Breeders' Cup races conducted on November 4 and 5, 2011: Juvenile Sprint; Marathon; Juvenile Fillies, Filly & Mare Sprint; Juvenile Fillies; Filly & Mare Turf; Ladies' Classic, Juvenile Turf; Sprint; Turf Sprint; Juvenile; Mile; Dirt Mile; Turf and Classic
- b) Six percent for the (6) remaining races on the race card conducted on November 4 and 5, 2011

Commissioner Aponte recused himself from this agenda item and took a seat in the audience.

A discussion took place concerning a ten percent shift on the gross funds that are distributed to the industry concerning the casinos' receipt of races that call for the payment of more than 3.5 percent. The Chairman referenced a bill which he believed to have been enacted regarding this matter.

Chairman Drazin motioned to grant the request to pay the increased percentages with the contingency that if the Commission has the legal authority, it directs the casinos to absorb the extra cost for the races. Commissioner Abbatiello seconded the motion and all Commissioners voted yes with the exception of Commissioner Aponte who had recused himself.

CONSIDER RATIFICATION OF APPROVAL GRANTED TO THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY TO CONDUCT THE FOLLOWING HANDICAPPING CONTESTS:

- a) Live races from Monmouth Park and the simulcast races from Woodbine Racetrack on September 18, 2011;
- b) Horse Player World Series Qualifier handicapping contest at the Meadowlands Racetrack on October 1, 2011. Contest wagering will be accepted on the simulcast signals from Belmont Park, Monmouth Park and Parx

Chairman Drazin motioned to approve ratification of approval granted to the NJSEA to conduct the noted handicapping contests. Commissioner Aponte seconded the motion and all Commissioners voted yes.

NOTICE REGARDING SUBMISSION OF RACE DATES

The industry was reminded that the submission of 2012 race dates is due before October 15, 2011.

ACKNOWLEDGE RECEIPT OF THE FINANCIAL STATEMENT OF THE NEW JERSEY JOCKEY'S HEALTH AND WELFARE TRUST

The Racing Commission acknowledged receipt of the financial statement of the New Jersey's Jockey's Health and Welfare Trust and indicated that staff will prepare an analysis of the financial statement.

There being no further discussion or comments from the public, Commissioner Aponte moved that the meeting be adjourned. Commissioner Keegan seconded the motion and it was approved unanimously.

ATTEST:



Executive Director Frank Zanzuccki