

A Meeting of the Board of Directors of the Suffolk Regional Off-Track Betting Corporation was held on May 26, 2011 at 10:00 A.M. at Corporate Headquarters, 5 Davids Drive, Hauppauge, New York.

The following persons were present:

Dominick P. Feeney	Chairman
Herbert Hemendinger	Vice Chairman
Eddie S. Wynn	Secretary
Jeffrey A. Casale	President/CEO
Anthony Pancella, III	Vice President
Celine Gazes	Comptroller
James McManmon	General Counsel
Edna Donohue	Corresponding Secretary

Also Present:

David Needham	Chief of Staff, Director of Executive Administration
Kim Edelstein	Director of Wagering Operations and Services
Cathy Rice	Local 237 Teamsters Union Representative
Debbie Pfeiffer	Director of Public Affairs

The Meeting was called to order by Chairman Feeney at 10:00 A.M.

ITEM #1 APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS MEETING OF APRIL 28, 2011

Chairman Feeney stated that the first item on the Agenda was to approve the Minutes of the Board of Directors' Meeting of April 28, 2011. Vice Chairman Hemendinger made a motion that the April 28th, 2011 Minutes be approved, seconded by Secretary Wynn and passed unanimously.

ITEM #2 APRIL HANDLE REPORT

Comptroller Gazes stated that handle for the month of April is down 17.1% from 2010 and on a year-to-date basis down 12.8% from the last year. The estimated handle figures are from the original budget. Going forward, the figures used will be from the revised projections as provided to the Racing & Wagering Board which take into account the current conditions. Based on that, handle would only be down 2.1% from that projection. There was one additional dark day in 2011 compared to 2010.

.Page 2 is an analysis of branch handle. Qwik-Bet location handle is up 40% largely because of the big bettor at Jimmy's.

Internet wagering (which commenced in April 2010) combined with the Phone Room Handle had a decrease of 6.2% which is less than the overall decrease. The Huntington branch closed in March and Southampton closed in April resulting in a shift of handle to other locations. It would appear that some of the Huntington handle has shifted to Commack and Shirley has apparently had an increase due to Southampton closing.

Page 3 is a graphic representation of handle by branch entity. As a percentage of total monthly handle, the branches were 53.2%, the Forum was 26.3%, Internet 5.7%, Tel-Bets 8.4% and Qwik-Bets were 6.3%. Compared to 2010 where Telephone betting was 11.6% of the total, Internet just under 1%, the combination of those two in 2011 comprise a larger percent of total monthly handle. The Racing Forum went from 29.2% to 26.3% and the branches went from 54.6% to 53.2% largely due to branch closings and the Qwik-Bets went from 3.7% to 6.3%. The same trends continue. One more Qwik-Bet was opened in April but for only two days of the month.

Page 5 is a summary of handle by track. With one less racing day than in 2010, NYRA handle was down 16.3%; Finger Lakes was down 28.6%. When added together total in-state thoroughbred handle is in line with the overall decrease. In-state harness was down approximately 10% despite two more racing days. It appears that Yonkers is the bulk of the decrease at 21.0%. Out-of-state thoroughbred was down 15.0% mainly due to the lack of the Gulfstream signal for part of the month resulting in a 40% decrease in Gulfstream handle. President Casale added that that proves there is no basis for the statement that if you do not have out-of-state thoroughbred racing, the bettors will resort to in-state thoroughbred. Several other tracks were down considerably. In-state harness handle was down 29% which is higher than the average for some time now. Meadowlands is not running which has quite an impact.

Page 7 is a summary of statewide OTB handle by region. If New York City OTB is removed from the equation, Suffolk was down 17.1% for the month. While other regions also had decreases, Nassau OTB had an increase over 2010.

As a preview to May, through Tuesday the 24th, month-to-date handle was down 14.3% compared to May 2010.

ITEM #3 MISCELLANEOUS

(i) President Casale added that while we would like to see the handle going up, the handle is not always the direct indication of profit or loss. Expenses are significantly lower at this point in time compared to six months ago or a year ago so that even if there is a decline in handle, the profit margin may be higher. He asked

Comptroller Gazes to provide those figures for the Board going forward. There is clearly a shift both to the Internet as well as the remaining branches such as Commack. The Phone Room and Internet are doing well. A mailing was sent out to our customers regarding account wagering and since then, there has been an increase in internet wagering. This allows more calls to be taken by the operators in the Phone Room with less wait time as well as dropped calls.

President Casale complimented the Phone Room on their performance in that they are handling a huge volume of calls with few abandoned calls. He also complimented the branch personnel on their phenomenal job.

Both the Kentucky Derby and Preakness were down compared to 2010 but not by significant amounts following the trend. The Belmont Stakes is coming up in June. There were a few big winners from the Preakness. Some small marketing will be done to promote telephone accounts.

In general, President Casale spoke of how well the internet wagering system is working out and that it is a very basic system and user friendly. Video streaming is still an option.

(ii) The bankruptcy is proceeding but it has required quite a bit of additional reporting. The next court date is June 15th. The plan going forward is going to require some modification. In connection with that, President Casale complimented Comptroller Gazes and her staff on meeting the demands under very stressful conditions. President Casale also complimented Public Affairs Director, Debbie Pfeiffer, on all of her efforts.

(iii) President Casale informed the Board that he will go over the Plan with them when it is prepared.

With the need to go into Executive Session to discuss litigation matters, Vice Chairman Hemendinger made a motion to go into Executive Session, seconded by Secretary Wynn and unanimously passed

Upon re-convening after Executive Session, Counsel McManmon stated that some litigation matters had been discussed but no motions were made and no votes taken.

The next meeting of the Board of Directors will be held on June 30, 2011 at 10:00 a.m. at Corporate Headquarters.

Thereafter, Vice Chairman Hemendinger made a motion to adjourn, which was seconded by Chairman Feeney and unanimously passed.

Secretary