

File No. SD-077

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

THE APPLICATION OF BAY MEADOWS OPERATING  
COMPANY, LLC FOR APPROVAL TO SHARE IN  
THE REVENUE FROM THE CONDUCT OF OFF-TRACK  
PARI-MUTUEL WAGERING

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ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on September 1, 1999, and specially before the Nevada Gaming Commission ("Commission") on September 3, 1999, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the application of Bay Meadows Operating Company, LLC for approval to share in the revenue from the conduct of off-track pari-mutuel race wagering, as amended and supplemented, is hereby accepted as filed.

2. THAT Bay Meadows Operating Company, LLC is granted approval to share in the revenue from the conduct of off-track pari-mutuel race wagering, said approval conditioned as follows:

(a) That Bay Meadows Operating Company, LLC shall cause its affiliated company, Paine Webber Group, Inc., to (i) comply with the provisions of NRS 463.639(1) and NGC Regulation 16.330, specifically by submitting to the Board only copies of all Form 10-K's and Form 10-Q's filed with the Securities and Exchange Commission ("SEC") and any Form 8-K's filed with the SEC and any press releases that materially relate to Bay Meadows Operating Company, LLC or Bay Meadows Race Track Facility, and (ii) shall also comply with any requests for additional reporting requirements made by the Board.

(b) That the following information shall be reported to the Board, in writing, within 30 days after the end of the quarter concerning the occurrence or absence of the following:

(1) Any changes in Bay Meadows Operating Company, LLC and Paine Webber Group, Inc. officers, directors, or key personnel directly or indirectly engaged in the active administration or supervision of the gaming operations conducted at Bay Meadows Racetrack and related facilities who earn \$50,000 or more annually.

(2) All gaming related complaints, investigations into alleged misconduct, orders to show cause, and disciplinary actions instituted by, presided over, or in connection with the California Horse Racing Board, the Securities and Exchange Commission or any gaming regulatory agency, involving Bay Meadows Operating

Company, LLC, and Paine Webber Group, Inc. or its officers, directors, owners, agents or employees thereof.

(3) All arrests made of Bay Meadows Operating Company, LLC and Paine Webber Group, Inc. and its affiliates' officers, directors, owners, agents or employees and its patrons involving gaming misconduct or felony charges in the State of California. The report shall include: the name, position, charge, arresting agency and a brief description of the event.

(4) Any known gaming cheating or theft wherein an arrest is not made.

(5) A copy of the application for licensure to conduct horse racing, and any exhibits or attachments thereto, as provided to the California Horse Racing Board.

(c) That Bay Meadows Operating Company, LLC and Paine Webber Group, Inc. shall fund and maintain with the Board a revolving fund in the total amount of \$5,000 for the purpose of funding investigative review by the Board for compliance with the terms of this Order. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative reviews of activities of Bay Meadows Operating Company, LLC, Paine Webber Group, Inc. and its controlled affiliates.

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3. THAT this Order, and the approvals, terms and conditions contained herein, shall terminate at midnight on the day of the August 2000 regularly scheduled Commission meeting.

ENTERED at Las Vegas, Nevada, this 3<sup>rd</sup> day of September 1999.

FOR THE COMMISSION:

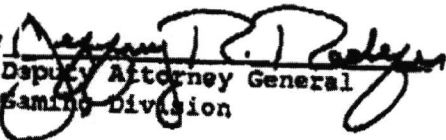
  
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Brian Sandoval, Chairman

Submitted by:

  
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Daureen G. Sloan, Chief  
Corporate Securities Division

APPROVED AS TO FORM:

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL

By   
\_\_\_\_\_  
Deputy Attorney General  
Gaming Division