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Marc E. Richards (MR 9465)  
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Proposed Attorneys for Official  
Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
In re:

NEW YORK CITY OFF-TRACK  
BETTING CORPORATION,

Chapter 9

Case No. 09-17121 (MG)

Debtor.

----- X

**APPLICATION FOR AN ORDER APPROVING  
THE RETENTION OF BLANK ROME LLP AS COUNSEL TO  
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

The Official Committee of Unsecured Creditors appointed in the above-captioned Chapter 9 case (the "Committee") submits this application (the "Application") for an order approving the employment and retention of Blank Rome LLP ("Blank Rome") as counsel to the Committee effective as of April 22, 2010 pursuant to §§ 901(a), 1102(a)(1) and 1103(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

In support of this Application, the Committee submits the Affidavit of Marc E. Richards (the "Richards Affidavit") annexed hereto as Exhibit "A" and incorporated herein by reference. In support of this Application, the Committee respectfully represents as follows:

## JURISDICTION

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue of this proceeding and the within Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409(a). The statutory predicates for the relief requested herein are §§ 901(a), 1102(a)(1) and 1103(a) of the Bankruptcy Code, as complemented by Bankruptcy Rule 2014.

## BACKGROUND

2. On December 3, 2009, the above-captioned debtor (the “Debtor”) filed a voluntary petition (the “Petition”) for the adjustment of debt under Chapter 9 of the Bankruptcy Code.

3. Pursuant to § 921(b) of the Bankruptcy Code, the Honorable Dennis Jacobs, Chief Judge of the United States Court of Appeals for the Second Circuit assigned the Petition to this Court on December 4, 2009 [Docket No. 10].

4. The Court held a hearing on the Debtor’s requests for interim relief on December 7, 2009. Following the hearing, the Court entered an order setting January 4, 2010 as the deadline for filing objections [Docket No. 19].

5. On January 4, 2010, The New York Racing Association, Inc. (“NYRA”) filed an objection to the Petition [Docket No. 33] and The New York Thoroughbred Horsemen’s Association, Inc. (“NYTHA”) and the New York Thoroughbred Breeders, Inc. (“NYTB”) joined in NYRA’s objection (collectively, the “Objections”).

6. The Court held an evidentiary hearing to resolve the Objections on February 22, 2010. On March 22, 2010, the Court entered an opinion and order overruling the Objections

to the Petition [Docket No. 63] as well as an order determining that the Debtor is eligible to file for relief under Chapter 9 of the Bankruptcy Code (the “Order for Relief”) [Docket No. 64].

#### THE COMMITTEE’S FORMATION

7. While the Objections to the Petition remained *sub judice*, the Office of the United States Trustee (the “U.S. Trustee”) deferred appointment of the Committee. Accordingly, on March 22, 2010, after the Court overruled the Objections and entered the Order for Relief, pursuant to §§ 901(a) and 1102(a) and (b) of the Bankruptcy Code, the U.S. Trustee formed the Committee. The Committee consists of the following seven members:

- (i) Yonkers Racing Corporation;
- (ii) The New York Racing Association, Inc.;
- (iii) Empire Resorts, Inc. / Monticello Raceway;
- (iv) District Council 37, Local 2021;
- (v) Finger Lakes Racing Association, Inc.;
- (vi) Churchill Downs, Incorporated; and
- (vii) Paramount Leasehold, L.P.

8. At a meeting of the Committee held on April 22, 2010, in New York, after interviewing other firms, the Committee voted to employ and retain Blank Rome as counsel to the Committee to perform all such services and give such advice as may be necessary and desirable for the equitable and orderly conduct of this Chapter 9 case on behalf of the Committee.

## RELIEF REQUESTED

9. By this Application, the Committee requests the entry of an order substantially in the form annexed hereto as Exhibit "B" authorizing it to retain and employ Blank Rome as its counsel effective April 22, 2010.

10. The Committee has selected Blank Rome as its counsel because of the firm's expertise and experience in bankruptcy cases and, specifically, in representing creditors' committees. Blank Rome is a law firm of approximately 540 attorneys with offices located in New York City, Philadelphia, Washington, D.C., Wilmington, Delaware, and other locations. Blank Rome and/or its members have previously represented or currently represent fiduciaries in a number of significant bankruptcy proceedings, including: Centaur, LLC (committee) (Bankr. Del.); PRC, Inc. (committee) (Bankr. S.D.N.Y.); Horsehead Industries Inc. (committee) (Bankr. S.D.N.Y.); Acterna Corporation (committee) (Bankr. S.D.N.Y.); American Home Mortgage (committee) (Bankr. Del.); New Century Financial (committee) (Bankr. Del.); US Gen New England, Inc. (debtor) (Bankr. D. Md.); Mortgage Lenders Network (committee) (Bankr. Del.); Today's Man, Inc. (debtor) (Bankr. D. N.J.); Midway Games (debtors) (Bankr. Del.); Fred Leighton Holdings (committee) (Bankr. S.D.N.Y.); SemCrude (committee co-counsel) (Bankr. Del.); Crouse Health Hospital (committee) (Bankr. N.D.N.Y.); Wheeling Pittsburgh Steel Corporation (committee) (Bankr. N.D. Ohio); Weirton Steel Corporation (committee) (Bankr. W.V.); Trans World Airlines (committee) (Bankr. Del.); Delaware Valley Medical Center (debtor) (Bankr. E.D.Pa.); Barneys Inc. (mediator) (Bankr. S.D.N.Y.); U.S. One Communications (committee) (Bankr. Del.); Diamond Brands (committee) (Bankr. Del.); Inacom Corp. (committee) (Bankr. Del.); Midway Airlines (committee) (Bankr. N.C.); and Special Metals Corp. (committee) (Bankr. D. Ky.).

11. Furthermore, Blank Rome's broad-based practice, which includes expertise in the areas of bankruptcy, finance, corporate law, litigation, labor relations and tax, along with government relations, will permit it to represent fully the interests of the Committee in an efficient and effective manner.

12. Blank Rome is expected to render such legal services as the Committee may consider desirable to discharge the Committee's responsibilities and further the interests of the Committee's constituents in this case. In addition to acting as primary professional spokesperson for the Committee, it is expected that Blank Rome's services will include, without limitation, assisting, advising and representing the Committee with respect to the following matters:

- (a) The administration of the case and the exercise of oversight with respect to the Debtor's affairs including all issues arising from or impacting the Debtor's or the Committee in this Chapter 9 case;
- (b) The preparation on behalf of the Committee of all necessary applications, motions, orders, reports and other legal papers;
- (c) Appearances in Bankruptcy Court and at statutory meetings of creditors to represent the interests of the Committee;
- (d) The negotiation, formulation, drafting and confirmation of any plan of reorganization and matters related thereto;
- (e) The exercise of oversight with respect to any transfer, pledge, conveyance, sale or other liquidation of the Debtor's assets;
- (f) Such investigation, if any, as the Committee may desire concerning, among other things, the assets, liabilities, financial condition and operating issues concerning the Debtor that may be relevant to the case;
- (g) Such communication with the Committee's constituents and others as the Committee may consider desirable in furtherance of its responsibilities; and

- (h) The performance of all of the Committee's duties and powers under the Bankruptcy Code and the Bankruptcy Rules and the performance of such other services as are in the interests of those represented by the Committee or as may be ordered by the Court.

13. As counsel to the Committee, Blank Rome shall receive compensation solely from the Debtor (and not from any Committee member) on an hourly basis, subject to the approval of this Court and compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the United States Trustee's Guidelines for Fees and Disbursements issued by the U.S. Trustee, and such other procedures as may be fixed by order of this Court, for professional services rendered and expenses incurred by Blank Rome. The current hourly rates charged by Blank Rome attorneys and legal assistants are set forth in the Richards Affidavit.

14. To the best of the Committee's knowledge, information and belief, Blank Rome and its members, counsel and associates have no connection with the Debtor, their creditors or any other party in interest, or their attorneys or accountants, or with the U.S. Trustee, except to the extent set forth in the Richards Affidavit. To the best of the Committee's knowledge, information and belief (and consistent with the Richards Affidavit), Blank Rome is a "disinterested person" as that term is defined in § 101(14) of the Bankruptcy Code.

15. Based on the foregoing, the employment of Blank Rome by the Committee as counsel is necessary, would be in the best interests of the Committee and the Debtor's estate, and complies with §§ 901(a), 1102(a)(1) and 1103(a) of the Bankruptcy Code.

16. Blank Rome commenced performing services for the Committee on April 22, 2010. Accordingly, the Committee respectfully requests that the retention of Blank Rome be authorized effective as of April 22, 2010, in light of the continuing nature of the services which

must be performed in order for Blank Rome to properly represent the Committee and in order to avoid any prejudice resulting from any administrative delay in the signing of a retention order.

#### NOTICE

17. The Committee has provided notice of this Application to (i) the U.S. Trustee, (ii) counsel for the Debtor and (iii) all parties who filed a notice of appearance and request for service and notices of documents consistent with Bankruptcy Rule 2002. The Committee submits that no other or further notice is necessary or required.

#### MISCELLANEOUS

18. No previous application for the relief requested herein has been made to this or any other Court.

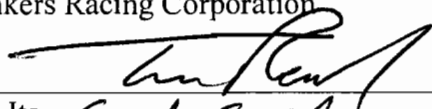
19. Because this Application presents no novel issues of law and the authorities relied upon by the Committee are set forth herein, the Committee respectfully requests that the Court waive the requirement for the filing of a separate memorandum of law in support of this Application pursuant to Local Rule 9013-1(b), but the Committee reserves the right to file a brief in reply to any objection to this Application.

**WHEREFORE**, the Committee respectfully requests that the Court enter an order approving the retention of Blank Rome by the Committee to perform the services described herein, effective as of April 22, 2010, and granting such other and further relief as the Court may deem just and proper.

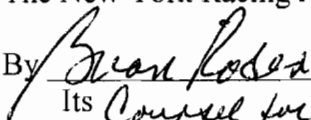
Dated: New York, New York  
May 11, 2010

THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF NEW YORK CITY OFF-TRACK  
BETTING CORPORATION

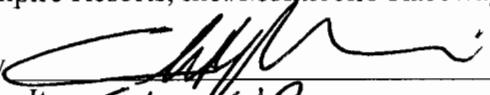
Yonkers Racing Corporation

By   
Its General Counsel

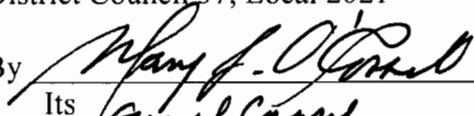
The New York Racing Association, Inc.

By   
Its Counsel for NYRA

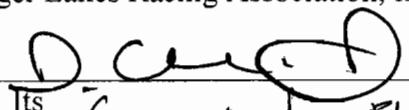
Empire Resorts, Inc./Monticello Raceway

By   
Its Exec. VP.

District Council 37, Local 2021

By   
Its General Counsel

Finger Lakes Racing Association, Inc.

By   
Its Counsel for FLRA

Churchill Downs, Incorporated

By Robert J. Brown  
Its Attorney

Paramount Leasehold, L.P.

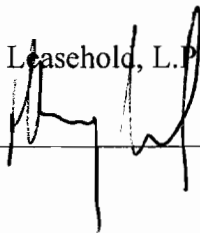
By \_\_\_\_\_  
Its \_\_\_\_\_

Churchill Downs, Incorporated

By \_\_\_\_\_  
Its

Paramount Leasehold, L.P.

By \_\_\_\_\_  
Its

A handwritten signature in black ink, appearing to be a stylized name, is written over the signature line for Paramount Leasehold, L.P.