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## New York OTB threatens to close on March 30

By Matt Hegarty

The New York City Off-Track Betting Corp. will shut down as of the close of business on March 30 if it does not receive assurances from the state legislature that its reorganization plan will be approved, according to officials of the organization.

The board of the corporation met on Monday and approved the plan. According to members of the organization, the board was required to announce that it would seek to close within 60 days in order to comply with statutes requiring the distribution of notices to unions representing its employees.

The announcement will likely put pressure on the legislature to begin deliberations about the OTB's reorganization plan, which would entail the reworking of statutory obligations to the racing industry and state and local governments. Since OTB filed for Chapter 9 bankruptcy late in 2009, the state legislature has failed to weigh in on the reorganization.

Robert Garry, the OTB's chief financial officer, told the board during the meeting that, under current projections, the company would run out of cash after the first week in April and post a \$5 million deficit for the second week of that month.

New York City OTB employs approximately 1,400 people. Under the shutdown, according to board member, a "skeleton staff" would be temporarily retained in order to supervise the closing, but all other employees would be laid off as of April 1.

The threat to completely shut down is the second made by the OTB corporation in two years. In February 2008, the board also authorized a shutdown, when the city owned the company. As a result of that threat, the state of New York took over the company's operations late in 2008.

The racing industry has resisted the company's plan to change the statutes governing OTB's distributions, under the belief that the company is seeking to significantly reduce its payments to tracks and horsemen. In 2009, the company provided about \$100 million to both the Thoroughbred and harness racing industries.

Officials of the New York Racing Association, which operates Aqueduct, Belmont, and Saratoga, did not immediately respond to requests for comment. NYRA has filed an objection to the OTB's reorganization plan, and a hearing has been scheduled for Feb. 22 to hear the association's arguments.

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