



State of New Jersey

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NEW JERSEY RACING COMMISSION
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Commissioners

SARA BEN-DAVID
Acting Executive Director

ORDER

IN THE MATTER OF THE JOINT PETITION OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY,
DARBY DEVELOPMENT, LLC, NYRABETS, LLC AND UNITED TOTE COMPANY FOR NYRABETS, LLC AND
UNITED TOTE COMPANY TO BE ISSUED ACCOUNT WAGERING SYSTEM VENDOR LICENSES

WHEREAS, the New Jersey Sports and Exposition Authority ("Authority") holds the account wagering license to conduct pari-mutuel wagering on horse races by computer;

WHEREAS, at a public meeting on November 20, 2024 and by Order dated December 30, 2024, the New Jersey Racing Commission ("Commission") approved the Authority's application to renew the account wagering license for calendar year 2025 subject to certain conditions;

WHEREAS, the Commission further approved Darby Development, LLC ("Darby") to continue to act as the Authority's agent and continue to manage the day-to-day and business affairs of the account wagering system, for ODS Technologies, L.P. (doing business as "TVG Network") to continue to provide platform services for the account wagering system, and for Global Tote US, LLC ("Global"), formerly known as Sportech Racing, LLC, to continue to provide totalisator services in connection with the account wagering system in calendar year 2025 subject to certain conditions;

WHEREAS, at a public meeting on November 20, 2024, the Commission approved Global to continue to provide totalisator services and act as the hub facility at the Mount Laurel Data Center in calendar year 2025 for the racetracks, off-track wagering facilities, the casino simulcasting facility at Borgata Hotel, Casino and Spa, and the New Jersey account wagering system subject to certain conditions;

WHEREAS, the Authority and Darby filed a joint petition dated December 3, 2024 seeking a vendor license for NYRAbets, LLC ("NYRAbets") and, if such license is obtained, NYRAbets is seeking approval to act as both the managing vendor and a platform services provider for the New Jersey account wagering system;



WHEREAS, as the managing vendor, NYRAbets anticipates entering sub-agreements with other operators to establish additional wagering platforms within the account wagering system;

WHEREAS, the petition further seeks a vendor license for the United Tote Company ("United") and, if such license is obtained, United is seeking approval to open and operate a hub facility in Cherry Hill and to provide totalisator services for the New Jersey account wagering system;

WHEREAS, the Commission considered this matter at a public meeting on December 11, 2024;

AND THE COMMISSION FINDING THAT NYRAbets and United are qualified to receive vendor licenses for calendar year 2025 subject to conditions which are attached to this Order and incorporated herein;

AND THE COMMISSION FINDING THAT N.J.A.C. 13:74-1.1 and -7.10 requires account information representatives to be located in New Jersey, and NYRAbets has not hired such personnel yet;

AND THE COMMISSION FINDING THAT N.J.A.C. 13:74-8.1 requires the account wagering licensee and off-track wagering licensees to utilize the same hub facility unless the Commission approves otherwise, and the off-track wagering licensees currently utilize the hub facility operated by Global in Mount Laurel;

AND THE COMMISSION FINDING THAT N.J.A.C. 13:74-9.1 requires a Supervisor of Mutuels, who is an employee of the Commission, to be present at a hub facility, and the Commission has not hired a Supervisor of Mutuels yet for United's proposed hub facility in Cherry Hill;

AND THE COMMISSION FINDING THAT testing of all equipment or software will need to be completed in accordance with N.J.A.C. 13:74-9.3;

IT IS THEREFORE ORDERED THAT the Authority's utilization of NYRAbets as a managing vendor and a platform services provider in calendar year 2025 is approved, provided that NYRAbets shall not commence operations as a platform services provider until it has hired account information representatives who are based in New Jersey as required by N.J.A.C. 13:74-1.1 and -7.10 and provided further that NYRAbets shall designate a contact person to address any New Jersey regulatory inquiries or matters;

IT IS FURTHER ORDERED THAT the Authority's utilization of NYRAbets as a managing vendor and a platform services provider in calendar year 2025 is approved, provided the Authority, Darby, and NYRAbets shall ensure each sub-agreement entered between NYRAbets and an account wagering services provider shall be filed with the Commission no later than five business days after execution and provided further that the Authority, Darby, and NYRAbets shall ensure that each account wagering services provider obtains a vendor license from the Commission prior to commencing operations as well as any other necessary state or federal governmental approvals;

IT IS FURTHER ORDERED THAT the Authority's utilization of NYRAbets as a managing vendor and a platform services provider in calendar year 2025 is subject to the conditions set forth in Schedule A to this Order which are consistent with the conditions set forth in the Commission's Order dated December 30, 2024 granting the renewal of the account wagering license for calendar year 2025;

IT IS FURTHER ORDERED THAT United is approved to open and operate a second hub facility in Cherry Hill in calendar year 2025 and the Authority's utilization of United to provide totalisator services for the account wagering system for calendar year 2025 is approved, provided that United shall not

commence operations until: (1) a Supervisor of Mutuels is hired by the Commission and present at the hub facility in accordance with N.J.A.C. 13:74-9.1 and provided with suitable office space and (2) United has successfully completed testing of its equipment or software in accordance with N.J.A.C. 13:74-9.3 and further provided that United may provide totalisator services to multiple account wagering platforms subject to the following requirements: (1) for each account wagering platform, United shall successfully complete testing to verify it can accurately and completely report wagering revenue for that platform and (2) at no time shall United be permitted to provide totalisator services to an account wagering services provider that has not been issued a vendor license from the Commission or obtained any other state or federal governmental approvals necessary to operate;

IT IS FURTHER ORDERED THAT the Authority's utilization of United is subject to the conditions set forth in Schedule D to this Order which are consistent with the conditions imposed by the Commission on November 20, 2024 when approving Global Tote to operate a hub facility and provide totalisator services in 2025;

IT IS FURTHER ORDERED THAT the Commission reserves the right and ability, consistent with its broad regulatory authority, to impose additional conditions with regard to the account wagering system and the approvals set forth in this Order;

IT IS FURTHER ORDERED THAT the Commission delegates authority to the Executive Director to impose additional conditions upon the Authority, Darby, NYRAbets, and United as she deems necessary and appropriate during the course of the license period.

This Order memorializes the actions taken by the Commission on December 11, 2024.

NEW JERSEY RACING COMMISSION

By: Sara Ben-David
Sara Ben-David, Acting Executive Director

Dated: December 31, 2024

SCHEDULE A - CONDITIONS

- 1) The Authority shall ensure that all aspects of the account wagering system, including the application process for account holders, shall be operated consistent with the Act, the Commission's rules, this Final Determination and Order, and all other applicable laws.
- 2) Any substantive changes to the account wagering application form which is to be completed by individuals seeking to establish a wagering account shall be submitted to the Commission's Acting Executive Director for approval to ensure that the application continues to comply with the Commission's rules.
- 3) The Authority's internal control procedures concerning the filing of applications by New Jersey residents shall continue to provide that each applicant for a wagering account must first submit a copy of their identification credentials which confirm that the applicant is a New Jersey resident and is at least 18 years of age before a wagering account can be opened. Any application filed online by computer shall not be considered complete and no wagering account shall be opened until this documentation of residency and age has been received and confirmed.
- 4) All account wagering applications, including any filed online by computer, shall be processed at the New Jersey location as required by *N.J.A.C. 13:74-7.8*.
- 5) The Authority and Darby shall ensure that NYRAbets and any other operators providing platform services to the account wagering system do not knowingly accept an account wager from a New Jersey resident account holder where that account holder seeks to place such wager while at a physical location outside New Jersey where placement of such wager is contrary to state or federal law. The Authority, Darby, and NYRAbets shall ensure that the account wagering system maintains advanced geo-location software and controls in a manner that is satisfactory to the Commission's Acting Executive Director and take reasonable measures intended to ensure that customers are not using technology to spoof their actual location. The Authority, Darby, and NYRAbets shall pay the cost of testing the current geo-location capabilities of the account wagering system and shall make all changes and upgrades ordered by the Acting Executive Director. The Commission reserves the right to impose further conditions upon NYRAbets, and any other operators providing platform services to the account wagering system where necessary to effectuate the purposes of the Act and the Commission's rules.
- 6) The internal control procedures for patron dispute resolution pursuant to *N.J.A.C. 13:74-7.16(e)* shall continue to be provided to prospective account holders at the time the wagering account is opened as required by *N.J.A.C. 13:74-7.1(f)*.
- 7) The Authority shall continue to comply with the self-exclusion provisions of *N.J.A.C. 13:74A-5.1*.
- 8) The Authority, its agents, and all parties to the account wagering participation agreement shall make timely payment to the Commission of the respective racing costs consistent with *N.J.A.C. 13:74-10.1*.
- 9) This Final Determination and Order does not authorize the Authority to offer account wagering at, or in connection with, any casino simulcast facility. Any such offering must be preceded by a separate application to, and approval by, the Commission as well as the New Jersey Division of Gaming Enforcement or New Jersey Casino Control Commission, as applicable.

- 10) The Authority shall oversee and manage Darby, which is acting as the Authority's agent, with respect to all account wagering matters, and the Authority shall retain ultimate control and decision-making authority.
- 11) Darby shall immediately notify the Commission in writing through its Acting Executive Director of any significant event or occurrence which could negatively impact the continued operation of any aspect of the account wagering system.
- 12) Darby shall also immediately notify the Commission in writing through its Acting Executive Director of any technological issues or malfunctions that prohibit or interfere with the account wagering system's acceptance of wagers from patrons in New Jersey.
- 13) In the event there is a change in the compensation, either directly or indirectly, to be provided to Darby or to any other person or entity in connection with Darby's management of the account wagering system, Darby shall notify the Commission in writing before entering into any such compensation agreement and before any such compensation is paid.
- 14) Any substantive changes to the internal control procedures of NYRAbets shall be submitted to the Commission's Acting Executive Director for approval.
- 15) The Authority, Darby, and NYRAbets shall comply with *N.J.A.C. 13:74-7.9* before installing any new or updated equipment or software to be utilized in connection with the account wagering system in accordance with *N.J.A.C. 13:74-7.9*.
- 16) The Authority, Darby, NYRAbets, United, and any other operator licensed by the Commission to provide services to the account wagering system shall cooperate in the resolution of all hardware and software issues, as well as other legitimate issues, which have arisen or may arise in the operation of the account wagering system.
- 17) The Authority, Darby, NYRAbets, United, and any other operator licensed by the Commission to provide services to the account wagering system shall make a written submission and file for continued licensure for 2026 no later than October 15, 2025.

SCHEDULE D - CONDITIONS

- 1) Executed hub facility agreements shall be filed with the Commission at least five (5) business days prior to the commencement of the related simulcasting, which agreements are subject to disapproval by the Commission.
- 2) United shall comply with all applicable rules, common pool procedures, manual merge procedures, staffing schedules as approved by the Commission, and all applicable state and federal laws including, but not limited to, the federal Interstate Horse Racing Act.
- 3) United shall ensure that one operator, who has been trained to work at the New Jersey hub facility, is present and working at the hub facility for every 12 race signals the hub facility receives. Also, a Global Tote manager shall be present on site during any time wagering is open. The on-site manager may perform the functions of one operator only in an emergent situation and only with the prior approval of the Commission.
- 4) United shall ensure that their employees understand and execute correctly all internal control procedures as they pertain to the New Jersey hub. It is the tote manager's responsibility to advise

the Commission of any changes to the internal control procedures and to obtain the required approvals.

- 5) No United employee shall simultaneously work for, in any capacity, any casino simulcast facility or for any licensed racetrack property in the State of New Jersey. This condition shall not preclude, subject to all laws that may be applicable, a New Jersey hub employee from otherwise holding a non-simulcast related employment position with a licensed casino property. Prior to employing any person at the New Jersey hub who is also employed by a casino property in a non-simulcast related position, United shall advise the Commission's Executive Director in writing.
- 6) All non-transmitted wagers shall be immediately disclosed to the commission in a written report. The report shall include a full and complete accounting of the incident. The report shall also include the net profit attributed to each wagering association.
- 7) United shall perform wager testing and certification at the request of the Commission.
- 8) United shall provide the totalisator services at the Mount Laurel Data Center or at a New Jersey permitted racetrack facility unless otherwise approved by the Commission.
- 9) United and its employees shall apply for and obtain licensure from the Commission for the functions performed in connection with the hub facility and totalisator services.
- 10) Prior to utilizing any new or updated equipment or software in connection with the hub facility or totalisator services, United shall submit documentation evidencing the successful testing of such equipment or software to the Commission's Executive Director in accordance with *N.J.A.C. 13:74-9.3*.
- 11) United shall cooperate with the New Jersey Sports and Exposition Authority and the relevant account wagering services provider to resolve any hardware, software issues and other issues which may arise in the operation of the account wagering system.
- 12) United shall file for continued licensure and request approval from the Commission for continued operations in calendar year 2026 no later than October 15, 2025.