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Governor

KIM GUADAGNO
Lt. Governor

State of New Jersey
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF NEW JERSEY RACING COMMISSION
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MICHAEL J. ARNONE, D.D.S.
JOHN A. HOFFMAN
FRANCIS X. KEEGAN, JR.
Commissioners

FRANCESCO ZANZUCCKI
Executive Director

ORDER

IN THE MATTER OF THE APPLICATION OF FREEHOLD RACEWAY OFF-TRACK, LLC TO RENEW ITS LICENSE TO OPERATE AN OFF-TRACK WAGERING FACILITY IN GLOUCESTER TOWNSHIP, NEW JERSEY FOR JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

WHEREAS, Freehold Raceway Off-Track, LLC ("FROT") holds an off-track wagering license authorizing it to operate an off-track wagering facility in Gloucester Township, New Jersey;

WHEREAS, on August 23, 2013, FROT entered into an operating agreement with Penn National Gaming, Inc., Penn National Holding Company, Pennwood Racing, Inc., Greenwood Racing, Inc. and FR Park Racing, L.P., whereby Penn NJ OTW, LLC would manage, oversee and provide for the day-to-day operations in connection with the Gloucester Township off-track wagering facility;

WHEREAS, FROT has filed an application with the New Jersey Racing Commission ("Commission"), pursuant to N.J.A.C. 13:74-2.3, seeking the renewal of its off-track wagering license for calendar year 2018;

WHEREAS, the Commission considered this matter at its public meeting on November 15, 2017;

WHEREAS, the Commission did find at such time that FROT continues to meet all legal requirements set forth in the Off-Track and Account Wagering Act ("Act"), that FROT continues to meet all legal requirements set forth in the rules of the Commission, inclusive of N.J.A.C. 13:74-2.3, and that FROT is in substantial compliance with the conditions and terms imposed upon it, for it to hold a license to operate an off-track wagering facility in Gloucester Township, New Jersey;



IT IS THEREFORE ORDERED THAT the license held by FROT authorizing it to operate the off-track wagering facility in Gloucester Township, New Jersey shall be renewed for January 1, 2018 through December 31, 2018 subject to the conditions set forth in Schedule A which is attached to this Order and incorporated herein.

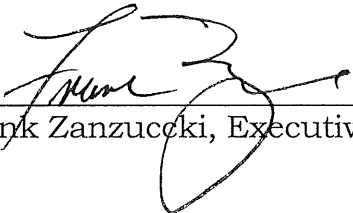
IT IS FURTHER ORDERED THAT the determinations, as set forth in this Order, are subject to the review and approval of the Attorney General pursuant to N.J.A.C. 13:74-2.3(j).

IT IS FURTHER ORDERED THAT, subject to the review and approval of the Attorney General, the Executive Director shall cause a renewal license to issue to FROT for its operation of the off-track wagering facility consistent with the terms and conditions of this Order.

This Order memorializes the action taken by the Commission at its public meeting of November 15, 2017.

NEW JERSEY RACING COMMISSION

By:



Frank Zanzuccki, Executive Director

Dated: December 6, 2017

Schedule A - Conditions

- 1) The Commission's determination to grant the renewal license is subject to the review and approval of the Attorney General as required by N.J.S.A. 5:5-133 and N.J.A.C. 13:74-2.3(j).
- 2) The grant of the license renewal is subject to and conditioned upon the issuance of a written off-track wagering license following the approval of the Attorney General.
- 3) The grant of a renewal license shall be subject to the approval of any other state or federal governmental agency necessary to the operation of the off-track wagering facility.
- 4) All individuals employed at the off-track wagering facility and any persons, regardless of location, who are responsible for the supervision or oversight of any aspect of the off-track wagering facility shall be required to take out the appropriate license from the Commission pursuant to N.J.A.C. 13:74-5.1.
- 5) All vendors of the off-track wagering facility shall be licensed by the Commission unless an exemption is granted pursuant to N.J.A.C. 13:74-5.1(f) through (i).
- 6) The off-track wagering licensee shall cause to be implemented testing of all new equipment and software associated with the off-track wagering facility and related totalisator system as well as all equipment on the premises of the facility which can impact the public's safety or well-being. Prior to the use of such equipment and software, the off-track wagering licensee shall provide the Commission with written evidence that such testing has been successfully accomplished.
- 7) The off-track wagering licensee shall receive all live races that are offered and transmitted by in-State sending tracks approved by the Commission. Where the off-track wagering licensee offers a wagering opportunity on a race from an approved in-State sending or host track or from an approved out-of-state sending or host track, each patron of the off-track wagering facility shall be offered the same wagering opportunity on that race.
- 8) Agreements between the off-track wagering licensee and a sending track shall be in writing and shall be filed with the Commission.

- 9) The off-track wagering licensee, unless the Commission approves otherwise, shall use the same hub facility as the account wagering licensee as required by N.J.A.C. 13:74-8.1. Sportech Racing, LLC ("Sportech"), as the present operator of said hub facility, shall comply with all previous requirements imposed upon it by the Commission. The Commission reserves the right to impose additional conditions upon Sportech where necessary to effectuate the purposes of the Act and the Commission's rules.
- 10) The off-track wagering facility shall continue to maintain in good working order security and surveillance equipment in public and non-public areas to enhance safety, the integrity of wagering and the integrity of the proceeds from wagering. The money room at the off-track wagering facility, established pursuant to N.J.A.C. 13:74-6.11, shall include closed circuit television equipment.
- 11) The Commission, its agents and representatives, in furtherance of its regulatory responsibilities, shall have unrestricted access to the off-track wagering facility.
- 12) The off-track wagering licensee shall, in furtherance of the Commission's regulatory responsibilities and unless otherwise directed by the Commission, provide the Commission with two suitable designated parking spaces.
- 13) The off-track wagering licensee shall, in a timely fashion, satisfy its obligations for racing costs as set forth in N.J.A.C. 13:74-10.1.
- 14) The off-track wagering licensee shall comply with all representations made in its application for a license to the Commission, including those within its internal control procedures. Any amendments to the off-track wagering licensee's internal control procedures shall be submitted to the Commission's Executive Director for approval prior to their implementation.
- 15) The off-track wagering licensee shall, within twenty-four hours of such occurrence, notify the Commission in writing, on a form to be provided by the Commission, of any technological or non-technological occurrence not delegated to the totalisator operator which has disrupted or negatively impacted the ability of the off-track wagering licensee to continually offer wagering to the public or which has temporarily or permanently negatively impacted the integrity of any aspect of the off-track wagering infrastructure. Where delegated to the totalisator operator, Sportech shall submit such writing within twenty-four hours of the occurrence to the Commission.

- 16) The off-track wagering license may not be transferred or assigned to a successor in interest absent the prior approval of the Commission and Attorney General.
- 17) The off-track wagering licensee shall comply with the Act, the rules of the Commission, any directives or orders of the Commission, these conditions and any additional state or federal laws that may be applicable.
- 18) The issuance of a renewal license to the off-track wagering licensee shall not constitute precedent in terms of any other application that the licensee or any affiliate may file with the Commission for the issuance of a license.
- 19) The Commission reserves the right and ability, consistent with its broad regulatory authority, to impose additional conditions upon the off-track wagering licensee where necessary to effectuate the purposes of the Act and the Commission's rules.
- 20) The off-track wagering licensee shall file a fully completed renewal application for 2019 with the Commission on or before October 15, 2018.