

State of New Jersey

Philip D. Murphy

Governor

Sheila Y. Oliver

Office of the Attorney General Department of Law and Public Safety Division of Gaming Enforcement P.O. Box 047 Trenton, NJ 08625-0047

Matthew J. Platkin

Attorney General

David L. Rebuck

Daniel Simic Chief Executive Officer PlayUp Interactive NJ Inc. 3993 Howard Hughes Parkway, Suite 600 Las Vegas, NV 89169 daniel.simic@playup.com

Re: REVOCATION OF PRNS 1522302, 1502301, AND 0402301: TRANSACTIONAL WAIVERS PERMITTING PLAYUP INTERACTIVE NJ INC. TO TRANSACT INTERNET GAMING AND SPORTS BETTING RELATED BUSINESS PURSUANT TO N.J.S.A. 5:12-92(a)1

Order No.: 2577

Dear Daniel Simic:

The Division of Gaming Enforcement ("Division") previously approved several transactional waiver orders permitting internet gaming and sports betting related business transactions to occur between PlayUp Interactive NJ Inc. ("PlayUp"), an applicant for casino service industry enterprise ("CSIE") licensure, and the following:

- 1. PRN 1522302: FR Park Racing, L.P. d/b/a/ Freehold Racetrack, due to expire on December 23, 2023.
- 2. PRN 1502301: FR Park Racing, L.P. d/b/a Freehold Racetrack and Amelco UK Limited, an applicant for CSIE licensure, due to expire on December 23, 2023.
- 3. PRN 0402301: Harrah's Atlantic City Operating Company, LLC d/b/a Harrah's Resort Atlantic City and Caesars Interactive Entertainment New Jersey, LLC, due to expire on August 15, 2023.



Although authorized, PlayUp has yet to launch its internet gaming platform. Its contract to provide an igaming platform has subsequently been terminated.

Pursuant to N.J.S.A. 5:12-80(b) and (d), on June 29, 2023, the Division requested certain financial information related to PlayUp's New Jersey operation. The request asked for (1) year to date remittance of employee withholding tax, (2) certain bank statements between January and June 2023, and (3) payroll registers between January and June 2023.

This request was initially emailed to Glenn MacPherson, PlayUp's listed Chief Financial Officer and a CSIE qualifier in New Jersey. PlayUp's response was due on July 6, 2023. No response was received from Glenn MacPherson by that date. After no response was received, on July 7, 2023, Division staff had a phone call with you and counsel to discuss this matter and other areas of potential non-compliance. You indicated on the call that Glenn MacPherson was no longer the company's Chief Financial Officer and you requested that the information request be sent to your attention.

Following that call, on July 7, 2023, the request for financial information was forwarded to your attention. This request included a return date of July 14, 2023. On July 14, 2023, with no response having been received, the Division sent a final request for the information, noting that failure to comply with the request by the close of business on July 14, 2023 "may result in a finding of non cooperation against PlayUp. This can lead to disciplinary action, up to and including revocation of your transactional waiver and denial of your license." After the close of business, on July 14, 2023, you provided a payroll summary and payroll statements for January 2023 only, as well as a quarterly tax filing dated March 2023. No bank statements were provided and you did not include information for the months of February through June. On July 17, 2023, you were advised that your response was not responsive and were directed to provide the additional information. This information has not been provided to date.

In addition to the above non-compliance with the Division's request for information, the Division is aware that PlayUp has several other issues related to non-compliance with Division statutes and regulations. These include:

1. PlayUp has outstanding invoices owed to the Division.

2. PlayUp has significantly reduced its employee head count in New Jersey, with numerous officers departing from the company. There is currently no "head of the New Jersey Office" physically located in New Jersey, with you advising that you are serving in that role while located out of State. Staff that filled other integral roles including Chief Operations Officer, head of product, head of sportsbook, and head of compliance are also no longer employed by PlayUp.

3. PlayUp claims to be investigating a potential fraud charge for a patron that requested withdrawal in March 2023, but never notified the Division and cannot explain the delay in

finalizing the investigation.

PlayUp's continued non-compliance with <u>N.J.S.A.</u> 5:12-80 and inability to comply with the requirements of <u>N.J.A.C.</u> 13:69O and <u>N.J.A.C.</u> 13:69N demonstrate that it is currently unable to offer real money sports wagering to New Jersey customers at the standard required by Division statutes and regulations.

Therefore, pursuant to N.J.A.C. 13:69J-1.2B(e), the Division is **REVOKING** PRNs 1522302. 1502301, and 0402301 and PlayUp is not permitted to transact any new internet gaming or sports wagering related business with any New Jersey casino or racetrack. For the avoidance of doubt, this Order specifically authorizes and requires PlayUp to continue to process existing wagers and customer withdrawals. Further, the Division will not consider any unilateral void of any pending wagers. PlayUp shall not accept any new wagers or deposits. PlayUp shall not transfer money from

any patron deposit or liability accounts, other than to process a customer withdrawal or pay out a winning wager, without prior Division approval.

Nothing in this order shall prejudice PlayUp from reapplying for a transactional waiver in the future. Prior to any re-authorization, PlayUp must resubmit its entire platform to the Division for testing and satisfy a technical and licensing compliance review, as well as satisfy all outstanding inquiries including monies owed to the State. The Division reserves the right to bring future disciplinary action against PlayUp, as well as its associated entity and individual qualifiers, for any violation of the Casino Control Act, Sports Wagering Act, or Division regulations based upon the facts currently presented or arising from subsequent investigations.

Sincerely,

Date: July 19, 2023

DAVID REBUCK DIRECTOR

c: Michael J. Golub, DAG
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