



State of New Jersey

Philip D. Murphy
Governor

Sheila Y. Oliver
Lt. Governor

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

Matthew J. Platkin
Acting Attorney General

David Rebuck
Director

May 27, 2022

Pacifico S. Agnellini, Esq.
Brownstein Hyatt Farber Schreck, LLP
650 New Road, Suite C
Linwood, NJ 08221

Re: Action in Lieu of Complaint

Dear Counsel:

The Division of Gaming Enforcement (Division) brings this Action in Lieu of Complaint with regard to Golden Nugget Online Gaming, LLC (GNOG) concerning multiple failures to comply with requirements set forth in the Division's regulations at *N.J.A.C. 13:69C-8.1, et seq.* promulgated under the Casino Control Act (Act), *N.J.S.A. 5:12-1, et seq.* In particular, GNOG has violated *N.J.A.C. 13:69C-8.1* by failing to submit meeting minutes of the board of directors and committees, as well as meeting schedules for said board and committees, for holding company Golden Nugget Online Gaming, Inc. (GNOGI). In addition, GNOG and GNOGI have violated *N.J.A.C. 13:69C-8.5* by failing to submit GNOGI's tax return filings and *N.J.A.C. 13:69C-8.6* by failing to submit copies of all filings submitted to Federal and state regulatory authorities regarding GNOGI's securities. As a result of the Division's direct inquiry, certain of the outstanding items recently have been submitted.

Meeting Minutes of the Board of Directors and Committees

N.J.A.C. 13:69C-8.1(a) requires that "[e]ach applicant or casino licensee or holding company thereof shall file, with the Division [...] copies of the minutes of all meetings of its board of directors or equivalent governing authority, as applicable, and of all committee meetings [...] within 45 days of the meeting regardless of their formal adoption and in the instance of a casino license applicant, with a copy to the Commission [...]." Once formally adopted, "a copy of such final minutes shall be filed with the Division [...] and, if the final minutes relate to a casino license applicant, with a copy to the Commission [...]." *Id.*



(609) 441-3106

New Jersey Is An Equal Opportunity Employer – Printed on Recycled Paper and Recyclable

Schedules for Meetings of the Board of Directors and Committees

N.J.A.C. 13:69C-8.1(b) requires that “[e]ach applicant or casino licensee or holding company thereof shall file, with the Division [...], a schedule for its board and committee meetings on an annual basis.”

Copies of Tax Return Filings

N.J.A.C. 13:69C-8.5 requires that “[e]ach applicant or casino licensee or holding company, intermediary company, qualifying subsidiary and entity qualifier thereof shall file, with the Division [...], copies of its Federal and New Jersey tax returns and related forms, at the time such returns are submitted to the taxing authority.”

Copies of Submitted Securities Filings

N.J.A.C. 13:69C-8.6 requires that “[e]ach applicant or casino licensee or holding company, intermediary company, qualifying subsidiary or entity qualifier thereof shall file, with the Division [...], copies of all filings submitted to Federal and state regulatory authorities regarding any of its securities, either in existence or proposed.”

Discussion

On April 29, 2022, the Director of the Division entered Order 2391 authorizing the surrender of GNOG's internet gaming (I-Gaming) affiliate casino license effective as of the closing date (Closing Date) of the acquisition of GNOGI by DraftKings, Inc. (DraftKings). Said Order reserved the right to bring any action against GNOG “for any violation of the Act or the regulations promulgated thereunder occurring from the application filing date for its I-Gaming Affiliate casino license through and including the Closing Date, and the predecessor affiliates and/or parent company of GNOG prior to DraftKings' acquisition of GNOG as of the Closing Date shall be responsible for the payment of any fines or penalties associated with such violations.” As of the date of this document, GNOG is no longer affiliated with predecessor parent company, Fertitta Entertainment, Inc. (FE); however, pursuant to Order 2391, FE shall be responsible for any fine or penalty associated with the above-described violations pertaining to GNOG and GNOGI, which occurred prior to the Closing Date of the GNOGI-DraftKings transaction.

On October 12, 2021, the Division had issued a prior written warning to GNOG, as well as to Golden Nugget Atlantic City, LLC, for their untimely filings of audit and compliance committee meeting minutes, in violation of *N.J.A.C. 13:69C-8.1(a)*.

Prior to the Closing Date of the GNOGI-DraftKings transaction, GNOG and GNOGI violated the above-cited regulations by failing to make the delineated submissions as required by the Division's regulations.

Pacifico S. Agnellini, Esq.
Page 3
May 27, 2022

The Division therefore accepts the offer of FE to pay a civil monetary penalty pursuant to *N.J.S.A.* 5:12-123, -129, and -130 in the amount of \$50,000 in recognition of GNOG's and GNOGI's significant failure to comply in a timely manner with the requirements of *N.J.A.C.* 13:69C-8.1, *et seq.*

Sincerely,

A handwritten signature in black ink, appearing to read "David Rebeck", with a long horizontal flourish extending to the right.

DAVID REBUCK
DIRECTOR