

STATE OF NEW JERSEY
Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement

In the Matter of Resorts Digital
Gaming, LLC for Surrender of Its
Internet Gaming Affiliate Casino License

ORDER 2742

WHEREAS, on August 2, 2015, and pursuant to Resolution No. 15-08-12-12, Resorts Digital Gaming, LLC (Resorts Digital) was issued a casino license as an Internet gaming affiliate (I-gaming Affiliate) of casino licensee DGMB Casino, LLC d/b/a Resorts Casino Hotel (DGMB), pursuant to the New Jersey Casino Control Act (Act), *N.J.S.A. 5:12-1 et seq.*; and

WHEREAS, on May 15, 2024, Boyd Interactive Gaming Corp. (Boyd Interactive) entered into a membership interest purchase agreement (Purchase Agreement) with DGMB Casino Holding, LLC (DGMB Holding) and DGMB Casino SPE Corp. (DGMB SPE), holding and intermediary companies of DGMB and owners of Resorts Digital, to acquire 100% of the membership interest in Resorts Digital from DGMB Holding and DGMB SPE (Transaction) which now has a projected closing date of September 1, 2024 (Closing or Closing Date); and

WHEREAS, as a result of the Transaction, on the Closing Date, Resorts Digital will be acquired by Boyd Interactive and will no longer be an I-gaming Affiliate of DGMB pursuant to *N.J.S.A. 5:12-82b(5)* and will therefore no longer be eligible to hold a casino license; and

WHEREAS, in connection with the Transaction, Resorts Digital has also filed with the Division of Gaming Enforcement (Division) petitions, PRN 2322404, PRN 2332402, and PRN 2332403, seeking a determination as to completeness of its casino service industry

enterprise (CSIE) license application and the issuance of a transactional waiver pursuant to *N.J.S.A. 5:12-92a* and *N.J.A.C. 13:69J-1.2B* to allow Resorts Digital to continue its operations uninterrupted as an applicant for CSIE licensure; and

WHEREAS, pursuant to the Transaction, Resorts Digital, as a new subsidiary of Boyd Interactive, will continue to operate Internet gaming (I-gaming) and sports wagering in New Jersey under two I-gaming skins and one sports betting skin pursuant to a contractual arrangement and under a transactional waiver to be issued separately but simultaneously in connection with the Transaction; and

WHEREAS, DGMB will maintain an I-gaming permit (Permit) and sports wagering license (SW License) pursuant to which both I-gaming and sports wagering are to be conducted through DGMB and will retain the rights and obligations flowing from said Permit and SW License, evidenced by certificates issued by the Division, as of the Closing and from that time hence; and

WHEREAS, pursuant to the Closing of the Transaction, the market access agreements that Resorts Digital entered with unaffiliated third-party online operators, TSG Interactive US Services Limited d/b/a PokerStars, Crown NJ Gaming, Inc. d/b/a DraftKings, and Penn Interactive Ventures, LLC, will be assigned to DGMB, and DGMB will directly receive the revenue from each such market access agreement with each such respective third-party online operator; and

WHEREAS, pursuant to a market access agreement between DGMB and Resorts Digital to be effective as of the Closing Date, Resorts Digital will retain the rights to operate as a provider two I-gaming skins resortscasino.com and mohegansuncasino.com and one online sports wagering skin through the Permit and SW License of DGMB; and

WHEREAS, Resorts Digital has represented that it intends to continue online gaming business operations uninterrupted as a subsidiary of Boyd Interactive upon the Closing as a provider, and it will therefore continue to operate in accordance with the requirements of the Act and the regulations promulgated thereunder, and DGMB as a casino licensee and Permit and SW License holder, such as with respect to records retention or otherwise, also accepts its responsibilities to conduct itself in accordance with the requirements of the Act, the Sports Wagering Act (SW Act), *N.J.S.A. 5:12A-10 et. seq.*, and the regulations promulgated thereunder; and

WHEREAS, on August 28, 2024, the Division approved a material debt transaction pursuant to *N.J.A.C. 13:69C-4.3(f)*, subject to expressly-required conditions, permitting DGMB to enter into an amendment (First Amendment) to its July 7, 2022 credit agreement with Fifth Third Bank, National Association (Credit Agreement) to remove Resorts Digital as a co-borrower under the Credit Agreement, as a result of which DGMB will remain as the sole borrower under the loan arrangement; it is hereby

ORDERED, that the surrender of the Resorts Digital I-gaming Affiliate casino license shall be effective as of the Closing Date; and it is further

ORDERED, that any regulatory fees owed to the Division for current or future work related to Resorts Digital, as well as its surrender of its I-gaming Affiliate casino license, and its pending CSIE license application, shall be billed to and paid by Resorts Digital or any successor entity or affiliate; and it is further

ORDERED, that the Division reserves its rights as to any actions it may bring against Resorts Digital for any violation of the Act, the SW 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 Resorts Digital prior to Boyd Interactive's acquisition of Resorts Digital as of the Closing Date shall be responsible for the payment of any fines or penalties associated with such violations as set forth in the purchase agreement; and it is further

ORDERED, that DGMB shall be responsible for filing, on behalf of Resorts Digital, any required financial-related submissions to the Division which are due following the Closing Date, including but not limited to:

- a. The Monthly Internet Gross Revenue Report (DGE-105) and Monthly Sports Wagering Tax Return (DGE-107) for August 2024, due September 10, 2024; and
- b. The Quarterly Investment Alternative Deposit Report (DGE-201) and Quarterly 1.25% Additional Tax Deposit Report (DGE-207) for the Third Quarter 2024, due October 10, 2024; and
- c. Quarterly Filings and Quarterly Supplemental filings for the Third Quarter 2024, including statements of consolidating gross operating profit, reconciliation of sports wagering gross revenue, and quarterly statistics, due by November 15, 2024; and it is further

ORDERED, that copies of all final documentation executed on the Closing Date be provided to the Division within five days of the Closing Date.

Dated: September 1, 2024



MARY JO FLAHERTY
INTERIM DIRECTOR

Casino Licensing