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**FINAL DETERMINATION &  
AMENDED ORDER OF THE  
NEW JERSEY RACING  
COMMISSION**

**IN THE MATTER OF THE APPLICATION  
OF THE NEW JERSEY SPORTS AND  
EXPOSITION AUTHORITY FOR THE  
RENEWAL OF AN ACCOUNT WAGERING  
LICENSE FOR 2014, AND RELATED  
APPROVALS FOR 2014, AS ACTED UPON  
AT THE RACING COMMISSION'S PUBLIC  
MEETING OF NOVEMBER 20, 2013**

The New Jersey Sports and Exposition Authority ("Authority"), having on October 29, 2013, made application to the New Jersey Racing Commission for approval of the renewal of its Account Wagering License application for 2014, which application was filed pursuant to: P.L. 2001, Chapter 1999, The Off-Track and Account Wagering Act ("Act"); and Chapter 74 of the New Jersey Administrative Code ("Off-Track Wagering And Account Wagering");

AND, said application having been accompanied by a non-refundable filing fee of \$5,000, as required by N.J.A.C. 13:74-3.2(c);

AND, said application having been accompanied by a fully executed participation agreement which the Authority has entered into with all parties (or successors in interest) that held a valid race permit in 2000 consisting of an aggregate 40 live race dates;

AND, by and through said application, the Authority having applied, pursuant to the Act and Chapter 74 of the New Jersey Administrative Code, to



operate the following permissible elements of account wagering (collectively "account wagering") during 2014: computer wagering (pari-mutuel) on horse races; wagering (pari-mutuel) on horse races through an automated telephone system; wagering (pari-mutuel) on horse races through telephone live operators; and the establishment of patron wagering accounts;

**AND**, by and as a result of said application, the Authority (subject to any required 2014 contract extension, or new contract) and/or other interested industry groups, having sought Racing Commission approval as concerns the following related matters: 1) to continue to utilize Sportech Racing, LLC ("Sportech") as the totalisator provider in connection with the account wagering system for 2014; 2) to continue to utilize ODS Technologies, L.P. (doing business as "TVG Network") to provide platform services (that is, telephone/computer related services) for the account wagering system for 2014; 3) for the New Jersey Thoroughbred Horsemen's Association, Inc. ("NJTHA") and New Meadowlands Racetrack, LLC ("NMRLLC"), as well as NMRLLC's manager (Mr. Jeffrey Gural), to continue to serve as "financial qualifiers" to the account wagering system (thereby allowing the NJTHA and NMRLLC to receive an approximate 50% revenue stream each from the account wagering system) for 2014; and 4) for Darby Development, LLC (with Elite Consultants, Inc. providing consulting services to Darby) to continue to manage the day-to-day and business affairs of the account wagering system for 2014;

**AND**, the Racing Commission Executive Director having reviewed the Authority's account wagering license application ("application"), and the Executive Director having found same to be in due form and to meet the requirements of law in all respects, including its being consistent N.J.A.C. 13:74-3.2(d);

**AND**, the Racing Commission Executive Director having reviewed each of the above-described related matters, to be acted upon by the Commission at its public meeting of November 20, 2013, as concerns the operation of the account wagering system for 2014;

**AND**, the Racing Commission having considered the Authority's application at its public meeting on November 20, 2013, pursuant to N.J.A.C. 13:74-3.2(e), as well as the related matters;

**AND**, the Racing Commission having issued the following order with conditions on December 12, 2013;

**AND**, the Appellate Division having issued its decision on February 17, 2015 in IMO Order of the New Jersey Racing Commission Approving New Jersey Sports and Exposition Authority's Application for Approval of an Account Wagering Management Agreement, Docket Nos. A-2194-12T1 and A-2352-13T1 (App. Div. 2015) and ordered that the Racing Commission modify this order;

**AND**, the Racing Commission having voted at its March 18, 2015 public meeting to amend this Order consistent with the Appellate Division's decision;

**AND, THE RACING COMMISSION FINDING** that the Authority has satisfied the legal requirements for the issuance of an account wagering license, and that the Authority has demonstrated by clear and convincing evidence that it has satisfied the criteria set forth at N.J.A.C. 13:74-3.2(f)1 through 4;

**AND, THE RACING COMMISSION FINDING**, by clear and convincing evidence, that Sportech (as well as its employees) is qualified to perform the function of totalisator provider for the account wagering system for 2014;

**AND THE RACING COMMISSION FINDING**, by clear and convincing evidence, that TVG Network (as well as its employees) is qualified to perform the platform services functions for the account wagering system for 2014;

**AND THE RACING COMMISSION FINDING**, by clear and convincing evidence, that the NJTHA and NMRLLC (as well as NMRLLC's manager Mr. Jeffrey Gural), are each suitable to continue to serve as "financial qualifiers" to the account wagering system (thereby allowing the NJTHA and NMRLLC to receive an approximate 50% revenue stream each from the account wagering system) for 2014;

**AND THE RACING COMMISSION FINDING**, by clear and convincing evidence, that Darby Development, LLC (with Elite Consultants, Inc. providing consulting services to Darby), as well as its employees, each continue to be qualified to manage the day-to-day and business affairs of the account wagering system for 2014;

**IT IS THEREFORE ORDERED that the Racing Commission, subject to the following conditions, approves the application of the Authority for an account wagering license:**

1) The Authority, pursuant to its account wagering license, is for 2014 authorized to establish and offer the following elements of account wagering to of age (18 years of age or older) New Jersey residents: computer wagering (pari-mutuel) on horse races; wagering (pari-mutuel) on horse races by telephone through an automated telephone system; wagering (pari-mutuel) on horse races by telephone through a live operator system; establishment and maintenance of patron wagering accounts.

2) The Authority shall not knowingly accept any 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. The Authority shall continue to maintain reasonable measures to prevent such from occurring, and shall advise the Racing Commission in writing of any amendments to the measures presently implemented

in this regard.

3) The submission to the Racing Commission Executive Director of a fully signed contract or extension contract (specifying the terms of services to be provided and any applicable fees) between the Authority and other provider: as to the provision of totalisator services for the account wagering system during 2014; as to the provision of platform services (that is, telephone/computer related services) during 2014. If a provider other than Sportech or TVG Network is to be utilized for 2014, such other provider shall first secure an initial license from the Racing Commission, and be determined to be qualified to perform such services.

4) In the event the Authority proposes to charge an administrative or access fee in connection with account wagering, or in connection with account wagers placed by telephone through live operators, which has not previously been authorized by the Commission, the prior approval of the Racing Commission shall be obtained pursuant to N.J.A.C. 13:74-7.13.

5) The Authority's internal control procedures, concerning "Application Materials", shall continue to provide that each applicant for a wagering account must first submit a photocopy of his her identification credentials, confirming that the application is a New Jersey resident and of age, before a related wagering account shall be opened.

6) The Authority's internal control procedure for patron dispute resolution [pursuant to N.J.A.C. 13:74-7.15(e)], that defines the method and procedure by which a patron may dispute a transaction with the Authority in connection with account wagering, shall continue to be provided to prospective account holders at the time of the opening of an account, as required by N.J.A.C. 13:74-7.1(f).

7) The submission in writing to the Racing Commission Executive Director, prior to utilizing such in connection with the account wagering system, confirming the successful testing of all new/updated equipment and new/updated software not under the control of Sportech, TVG Network, or alternate provider, to be utilized by the Authority as concerns the functions it is to perform in connection with the 2014 account wagering system.

8) That, should the Authority intend to make available to account holders a credit card to be issued by or through the Authority, which has not previously been approved by the Commission, that it submit such proposal with specifications and procedures to the Racing Commission Executive Director for approval to insure that such is consistent with the Act and Chapter 74.

9) Prior to initiating telephone wagering through live operators, the Authority shall supplement in writing the answer to question 17b to its application,

explaining the nature of any governmental approvals necessary for the phone bank to be situated at the premises proposed by the Authority, including the status of such approvals.

10) The Authority shall notify the Racing Commission thirty (30) days in advance of the following event: the commencement of telephone wagering through live operators. If the start date shall change after said notification is submitted to the Racing Commission, the Authority shall advise the Racing Commission of the revised date in writing.

11) The Authority shall continue to comply with the provisions of N.J.A.C. 13:74A-5.1, which among other things require the account wagering licensee to maintain "Self-Exclusion List" internal control procedures.

12) As concerns telephone wagering, computer wagering and account wagering, the Authority shall continue to promptly notify the Racing Commission in writing, on a form provided by the Racing Commission, of any technological or non-technological occurrence not delegated to Sportech, TVG Network, or alternate provider for 2014 which has interrupted, disrupted or negatively impacted the ability of the Authority to continually offer account wagering or which has temporarily or permanently negatively impacted the integrity of any aspect of the account wagering infrastructure.

13) That, prior to the commencement of such employment, the Authority shall continue to advise the Racing Commission Executive Director in writing of the identity of all employees and any Authority affiliate/subsidiary employees (and their employment position) to be utilized in connection with account wagering, and that this submission be updated in writing as appropriate.

14) The submission to the Racing Commission Executive Director for approval, specifically regarding the operations of the phone bank and account wagering related premises (as required by N.J.A.C. 13:74-5.7), of identification tag format (or any revised format, if a format was previously approved) to be utilized by the Authority's employees at the premises of the account wagering licensee.

15) The timely payment to the Racing Commission of the respective racing costs, consistent with and pursuant to N.J.A.C. 13:74-10.1, by the Authority and all parties to the account wagering participation agreement.

16) The approval subject of this "Final Determination and Order" does not authorize the Authority to offer account wagering at or in connection with the Atlantic City Casino Simulcast Facilities. Any such offering must be preceded by a separate application to, and approval by, the Racing Commission and New Jersey Division of Gaming Enforcement/New Jersey Casino Control Commission.

17) Compliance with the requirements of the Act, any applicable directives of the Racing Commission, any applicable rules of the Racing Commission including but not limited to Chapter 74, and all other laws which may be applicable.

18) The review and approval of this Racing Commission "Final Determination and Order", approving the Authority's application for a renewal account wagering license for 2014, by the Attorney General as required by N.J.A.C. 13:74-3.2(f).

19) The issuance of a written account wagering license to the Authority pursuant to this Order, following any approval of the Attorney General as required by N.J.S.A. 5:5-140b and N.J.A.C. 13:74-3.1(i).

**IT IS FURTHER ORDERED that the Authority's previously approved "account wagering application form", to be completed by individuals who desire to establish a wagering account, is approved subject to the following continued conditions:**

20) The account wagering application form shall comply with N.J.A.C. 13:74-7.1, including with regard to the certification required by said rule. The certification shall include a statement, as required by N.J.A.C. 13:74-7.1(c).

21) The account wagering application shall include a statement advising the prospective account holder that he/she may not place a wager, utilizing his or her account, from a location outside New Jersey.

22) The account wagering application shall include or be accompanied by all notices as required by Chapter 74, including N.J.A.C. 13:74-7.1. The account wagering application shall include or be accompanied by a statement that, upon the Authority's opening of an account, the account holder will be provided with the operation rules of the account wagering licensee, as required by N.J.A.C. 13:74-7.1(f).

23) Prior to making revisions to the previously approved account wagering application available to the public, the Authority shall: submit to the Executive Director any revised account wagering application for purposes of approval, to insure that the application complies with Chapter 74 and these conditions. The Authority shall not release the revised application publicly unless the Executive Director in writing authorizes such.

24) The Authority, prior to providing account holders with revisions to any of the items required by N.J.A.C. 13:74-7.1(f) as previously approved, shall first submit to the Executive Director a copy of any such revised items for approval to insure compliance with said regulation.

**IT IS FURTHER ORDERED that the Authority's acceptance of account wagering applications "on-line by computer", a location additional to those specifically authorized and set forth at N.J.A.C. 13:74-7.1(b)5, which form of application acceptance commenced in 2009, is also approved for 2014 subject to the continuation of the following conditions:**

25) That all account wagering applications, including any filed "on line by computer", be processed at the New Jersey location required by N.J.A.C. 13:74-7.8, and as specified in the Authority's account wagering application.

26) That any application filed "on-line by computer" not be considered complete, and no related account shall be opened by the Authority, until the applicant files with the Authority the same form of independent proof of New Jersey residence and proof of age as required to be filed by those applicants who elect not to file "on-line by computer".

27) Prior to making any revised account wagering application available to the public "on line by computer", the revised application shall be submitted to the Executive Director to insure that it complies with this Order and Chapter 74.

**IT IS FURTHER ORDERED that the Authority's continued utilization of Sportech (and Sportech's licensure for 2014) as the totalisator provider in connection with the 2014 account wagering system (subject to a 2014 contract extension, or new contract, if necessary), is approved subject to the following continued conditions:**

28) That Sportech provide the totalisator services at the Mount Laurel, New Jersey Data Center, or at a New Jersey permitted racetrack facility, unless otherwise approved by the Racing Commission.

29) That Sportech comply with all previous requirements imposed upon it or its predecessor in interest, or to be imposed upon it, by the Racing Commission.

30) The submission to the Racing Commission Executive Director for approval of a fully signed contract or extension contract (specifying the terms of services to be provided and any applicable fees) between the Authority and Sportech as the totalisator provider for account wagering during 2014.

31) That, prior to the commencement of such employment, Sportech advise the Racing Commission Executive Director in writing of the identity of all Sportech and any Sportech affiliate/subsidiary employees (and their employment position) to be utilized in connection with account wagering, and that this submission be updated in writing as appropriate.

32) The licensure of Sportech and its employees by the Racing Commission, specifically as a result of the functions it is to perform in connection with the account wagering system.

33) The submission in writing to the Racing Commission Executive Director, prior to utilizing such in connection with account wagering, confirming the successful testing of all new/updated hardware equipment and new/updated software under the control of Sportech as concerns the functions it is to perform in connection with the account wagering system.

34) In connection with telephone wagering, computer wagering and account wagering, Sportech shall notify the Racing Commission in writing, on a form provided by the Racing Commission, of any technological or non-technological occurrence related to its account wagering functions which has interrupted, disrupted or negatively impacted the ability of the Authority to continually offer these forms of wagering, or which has temporarily or permanently negatively impacted the integrity of any aspect of the account wagering infrastructure.

35) That the Authority, Sportech and TVG Network cooperate in terms of resolving hardware and software issues, as well as other legitimate issues, which have arisen or may arise to the extent consistent with patron wagering efficiencies and convenience.

36) That Sportech make a written submission and filing, for continued approval for 2015, no later than October 15, 2014.

**IT IS FURTHER ORDERED that the Authority's continued utilization of TVG Network (and TVG Network's licensure for 2014) to provide the platform services (that is, telephone/computer related services) for the account wagering system for 2014 (subject to a 2014 contract extension, or new contract, if necessary), is granted subject to the following conditions:**

37) The conditions imposed upon the Authority, TVG Network, and each industry group, as set forth in our prior Order of February 27, 2013.

38) That the Authority, Sportech and TVG Network cooperate in terms of resolving hardware and software issues, as well as other legitimate issues, which have arisen or may arise to the extent consistent with patron wagering efficiencies and convenience.

39) That TVG Network make a written submission and filing, for continued approval for 2015, no later than October 15, 2014.

**IT IS FURTHER ORDERED that the Authority's continued utilization of Darby (with Elite providing consulting services to Darby) to manage the day-to-day affairs and business of the account wagering system for 2014 (subject to a 2014 contract extension, or new contract, if necessary), is granted (as is**

**the 2014 licensing of Darby and Elite for such purposes) subject to the following conditions:**

40) The conditions imposed upon the Authority, Darby, and each industry group, as set forth in the Racing Commission's prior Order of December 6, 2012.

41) That Darby make a written submission and filing, for continued approval for 2015 (as concerns Darby and Elite), no later than October 15, 2014.

**IT IS FURTHER ORDERED that the NJTHA remains suitable to continue to serve as "financial qualifier" to the account wagering system (thereby allowing the NJTHA to receive an approximate 50% revenue stream each from the account wagering system) for 2014, subject to the following conditions:**

42) The conditions imposed upon the NJTHA, as set forth in the Racing Commission's prior Order of May 9, 2013 (particularly, conditions #26, #27, #28, #30, #31, #33, #34, and #35).

43) That the NJTHA make a written submission and filing, for continued approval for 2015, no later than October 15, 2014).

**IT IS FURTHER ORDERED that NMRLLC (as well as NMRLLC's manager, Mr. Jeffrey Gural), remain suitable to continue to serve as "financial qualifiers" to the account wagering system (thereby allowing NMRLLC to receive an approximate 50% revenue stream each from the account wagering system) for 2014, subject to the following condition:**

44) The conditions imposed upon NMRLLC (as well as NMRLLC's manager, Mr. Jeffrey Gural), as set forth in the Racing Commission's Order of December 11, 2011 (particularly, conditions #2, #3 and #4, at page 12 to said Order);

45) That NMRLLC (as well as NMRLLC's manager, Mr. Jeffrey Gural) make a written submission and filing, for continued approval for 2015, no later than October 15, 2014).

**IT IS FURTHER ORDERED that the Racing Commission reserves its right and ability, consistent with its authority, to impose additional conditions with regard to the approvals set forth in this Final Determination and Order.**

**IT IS FURTHER ORDERED that the Racing Commission delegates authority to the Racing Commission Executive Director, to impose additional conditions upon the Authority, NMRLLC, the NJTHA, Sportech, TVG Network, Darby (as well as Elite), as he deems necessary and appropriate, during the**

course of the license year.

**IT IS FURTHER ORDERED** that each determination of the Racing Commission as set forth in this "Final Determination & Amended Order", to the extent required by law, shall be subject to the review and approval of the Attorney General.

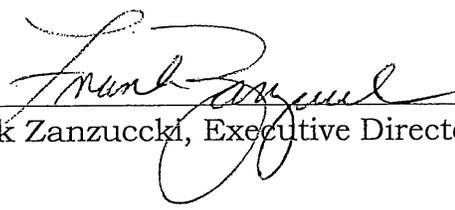
**IT IS FURTHER ORDERED** that the Authority shall amend the Account Wagering Management Agreement by and among the New Jersey Sports and Exposition Authority, Darby Development, LLC, the New Jersey Thoroughbred Horsemen's Association, Inc. and New Meadowlands Racetrack, LLC, dated October 1, 2012, in accordance with the Appellate Division's decision in In the Matter of the Order of the New Jersey Racing Commission Approving the NJSEA's Application, Docket Numbers A-2194-12T1 and A-2353-13T1 (App. Div. February 17, 2015) to provide that Darby is acting as the Authority's agent with respect to all account wagering system matters, and that Darby has no final decision making authority, the Authority retains ultimate control and decision-making authority, and the Authority shall oversee and manage Darby.

This Order reflects the actions taken by the Racing Commission at its November 20, 2013 and March 18, 2015 public meetings.

**BY ORDER OF THE NEW JERSEY RACING COMMISSION**

New Jersey Racing Commission

By:

  
\_\_\_\_\_  
Frank Zanzuccki, Executive Director

Dated: April 13 2015