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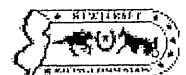
FRANCESCO ZANZUCCHI
Executive Director

IN THE MATTER OF THE APPLICATION
OF THE NEW JERSEY THOROUGHBRED
HORSEMEN'S ASSOCIATION, INC. FOR
THE PILOT PROGRAM LICENSE TO
ESTABLISH AN ELECTRONIC WAGERING
TERMINAL AT JAMIE'S CIGAR BAR AND
RESTAURANT, CLIFTON, NEW JERSEY

**FINAL DETERMINATION
AND ORDER**

WHEREAS, the New Jersey Thoroughbred Horsemen's Association, Inc. ("NJTHA") has filed an application with the New Jersey Racing Commission ("Commission") pursuant to N.J.S.A. 5:5-186 and N.J.A.C. 13:74B-2.1 for the issuance of the Pilot Program license authorizing it to establish not more than 20 electronic wagering terminals at not more than 12 qualified taverns, restaurants, and similar venues in the State of New Jersey;

WHEREAS, the NJTHA, which is a lessee of a State-owned racetrack, filed an application to establish one electronic wagering terminal at Jamie's Cigar Bar and Restaurant, Inc., 915 Bloomfield Avenue, Clifton, New Jersey ("Jamie's Cigar Bar"), which is located in Passaic County, New Jersey;



WHEREAS, the Pilot Program license shall be temporary, subject to review and renewal on an annual basis, and shall expire within three years of its initial issuance;

WHEREAS, the Executive Director determined that the application was complete by letter dated March 23, 2015;

WHEREAS, by letter dated April 8, 2015, the Executive Director informed all permit holders, off-track wagering licensees and horsemen's associations of the location of the selected venue, the date of the meeting at which the Commission would consider the application and the opportunity, pursuant to N.J.A.C. 13:74B-2.2(b), to submit written comments to the Commission on the issue of whether the grant of a license for the establishment of electronic wagering terminals at the selected venue would be inimical to the interests of a planned or existing racetrack, off-track wagering facility, or simulcasting facility in this State;

WHEREAS, comments were submitted, circulated and considered as required by N.J.A.C. 13:70-1.35;

WHEREAS, in their joint comments, ACRA Turf Club, LLC ("ACRA") and Freehold Raceway Off Track ("FROT") asked for relief which included the request that the Commission table the NJTHA's application for the Pilot Program license and stay the Pilot Program rules;

WHEREAS, the NJTHA opposed ACRA's and FROT's request for relief and filed comments in support of its application;

WHEREAS, the Commission considered the comments and the

NJTHA's application at its May 13, 2015 open public meeting;

WHEREAS, the Commission considered the complete record, including the verbal comments offered in opposition to, as well as in support of, the NJTHA's application for the Pilot Program license;

WHEREAS, the Commission considered the geographic proximity and impact criteria set forth in N.J.A.C. 13:74B-2.3 and determined that the issuance of a license for the establishment of electronic wagering terminals at Jamie's Cigar Bar would not be inimical to the interests of a planned or existing racetrack, off-track wagering facility, or simulcasting facility;

WHEREAS, the Commission determined that the NJTHA and Jamie's Cigar Bar met their burden of demonstrating their suitability for licensure and all requirements of N.J.A.C. 13:74B-2.4 by clear and convincing evidence; and

WHEREAS, the Commissioners present voted unanimously in favor of the grant of the NJTHA's application for the Pilot Program license;

IT IS HEREBY ORDERED THAT ACRA's and FROT's request that the Commission table the NJTHA's application for the Pilot Program license and stay the Pilot Program rules is denied.

IT IS FURTHER ORDERED THAT the NJTHA's application for the Pilot Program license is approved subject to the following conditions:

1. The issuance of the Pilot Program license shall be subject to the review and approval of the Attorney General pursuant to N.J.A.C. 13:74-2.1(l).
2. The issuance of the Pilot Program license shall be subject to the

conditions set forth in Schedule A which is attached hereto.

3. The Pilot Program license, which shall be subject to review and renewal on an annual basis in accordance with the requirements of N.J.A.C. 13:74B-2.4, shall be temporary and shall expire within three years of issuance of the initial Pilot Program license.


4. Prior to issuing the Pilot Program license, Commission staff shall require the NJTHA to sign a waiver demonstrating that the licensee understands the terms and conditions of the license including, but not limited to, the temporary term of the license.

5. As Pilot Program licensee, the NJTHA shall ensure that Jamie's Cigar Bar, Darby Development LLC, SocialGaming Technologies, Inc. and other entities involved in the operation of the Pilot Program, as well as their employees, obtain necessary licensure from the Commission prior to implementation of wagering at the selected Pilot Program venue.

This Order memorializes the final determination of the Commission which was rendered at its public meeting of May 13, 2015.

NEW JERSEY RACING COMMISSION

By: _____


Frank Zanzuccki
Executive Director

Dated: June 5, 2015

Schedule A - Conditions

- 1) The Pilot Program license shall be issued to the NJTHA following the approval thereof by the Attorney General upon compliance with the conditions set forth in the attached Final Determination and Order, dated June 5, 2015.
- 2) The Pilot Program licensee shall comply with the Pilot Program Act, the Commission's rules set forth in N.J.A.C. 13:74B-1.1 through 6.1, the Commission's orders and all additional laws that may be applicable.
- 3) All individuals employed at the selected Pilot Program venue who are responsible for the supervision or oversight of any aspect of the electronic wagering terminal, including the monies collected therefrom, shall be required to take out the appropriate license from the Commission pursuant to N.J.A.C. 13:74B-3.1.
- 4) All vendors of the Pilot Program shall be licensed by the Commission unless an exemption is granted pursuant to N.J.A.C. 13:74B-3.1(b).
- 5) The NJTHA, prior to the operation of the electronic wagering terminal, shall submit for approval to the Commission's Executive Director the final version of the identification tag to be worn by all Commission licensed personnel employed at the selected Pilot Program venue.
- 6) Prior to the opening of the Pilot Program for operation, the NJTHA shall cause to be implemented testing of all equipment and software associated with the electronic wagering terminal and related totalisator system at the selected Pilot Program venue. The NJTHA shall provide the Commission with written evidence that such testing has been successfully accomplished.
- 7) The Pilot Program licensee may not open the electronic wagering terminal to the public for operation unless and until the Commission's Executive Director or his designee conducts an inspection of the selected Pilot Program venue and finds that such venue is in accordance with the Pilot Program Act, the Commission's rules and the applicable Final Determination and Order.
- 8) The Pilot Program licensee and its affiliates and agents shall comply with all representations made in the application for the Pilot Program license to the Commission including all internal control procedures. Any amendments to the Pilot Program internal control procedures, prior to implementation thereof, shall be submitted to the Commission's Executive Director for approval.

- 9) The Commission, its agents and representatives, in furtherance of its regulatory responsibilities, shall have unrestricted access to the selected Pilot Program venue.
- 10) The Pilot Program licensee shall receive all live races that are offered and transmitted by in-State sending tracks approved by the Commission.
- 11) Agreements between the Pilot Program licensee and a sending track shall be in writing and shall be filed with the Commission.
- 12) The Pilot Program license may not be transferred or assigned to a successor in interest.
- 13) Upon the opening to the public of the electronic wagering terminal at the selected Pilot Program venue, the Pilot Program licensee shall, within twenty-four hours of such occurrence, notify the Commission in writing, of any technological or non-technological occurrence which has disrupted or negatively impacted the ability of the Pilot Program licensee to continually offer wagering to the public or which has, temporarily or permanently, negatively impacted the integrity of any aspect of the Pilot Program infrastructure.
- 14) Commencing with the issuance of the Pilot Program license, the NJTHA shall file bimonthly (every other month) written reports with the Commission's Executive Director, or more frequently if circumstances warrant, setting forth significant events occurring at the selected Pilot Program venue and problems or issues that develop or exist concerning the operation of the Pilot Program including, but not limited to, all incidents or attempted incidents of underage gambling.
- 15) To provide data for the evaluation report which the Commission must file with the Governor and Legislature pursuant to N.J.S.A. 5:5-186(e), the NJTHA shall file a detailed written report with the Commission's Executive Director each month which sets forth the monies wagered at the selected Pilot program venue on in-State and out-of-State races, the number of new members who activated Pilot Program wagering accounts and the breakdown of all monies distributed pursuant to N.J.S.A. 5:5-186(c)(5) and N.J.S.A. 5:5-186(c)(6).
- 16) To assist the Commission in evaluating the impact the Pilot Program has on parimutuel wagering within the State of New Jersey, the NJTHA shall request monthly wagering data from New Meadowlands Racetrack for the

racetrack and for the Bayonne off-track wagering facility for 2015 through and including 2018 and from the New Jersey Sports and Exposition Authority for account wagering for 2015 through and including 2018, which data shall be reported to the Commission's Executive Director each month. At the same time, the NJTHA shall also provide the Commission's Executive Director with monthly wagering data for the Woodbridge off-track wagering facility for 2015 through and including 2018.

- 17) The NJTHA, Darby Development, LLC, Elite Equine Consultants, LLC, SocialGaming Technologies, Inc., and Jamie's Cigar Bar, as well as their agents and affiliates, shall comply in a timely manner with all reasonable requests of the Commission related to needed information and compliance with these conditions.
- 18) The NJTHA shall be responsible for the payment of all of the Commission's regulatory costs associated with the investigation into, and administrative oversight of, the Pilot Program.