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**FINAL DETERMINATION AND 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 2016, AND RELATED
APPROVALS FOR 2016**

The New Jersey Sports and Exposition Authority ("Authority"), having filed an application with the New Jersey Racing Commission for approval of the renewal of its account wagering license for 2016, pursuant to the Off-Track and Account Wagering Act, N.J.S.A. 5:5-127 et seq. ("Act") and the Commission's rules at N.J.A.C. 13:74-1.1 et seq. ("Chapter 74");

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, 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 at least 40 live race dates in the aggregate being on file;

AND, the Authority having applied, pursuant to the Act and Chapter 74, to operate the following permissible elements of account wagering during 2016: pari-mutuel wagering on horse races by computer and through an automated telephone system utilizing patron wagering accounts;



AND, the Authority and/or other interested industry groups, having sought 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 2016; 2) to continue to utilize ODS Technologies, L.P. (doing business as "TVG Network") to provide platform services for the account wagering system for 2016; 3) for the New Jersey Thoroughbred Horsemen's Association, Inc. ("NJTHA") and New Meadowlands Racetrack, LLC ("NMRLLC"), 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 2016; 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 2016;

AND, the Commission having considered the Authority's application at its public meeting on November 18, 2015, pursuant to N.J.A.C. 13:74-3.2(e), as well as the related matters;

AND THE 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 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 2016;

AND THE 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 2016;

AND THE COMMISSION FINDING, by clear and convincing evidence, that the NJTHA and NMRLLC 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 2016;

AND THE COMMISSION FINDING, by clear and convincing evidence, that Darby Development, LLC (with Elite Consultants, LLC 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 2016;

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

1) The Authority shall ensure that all aspects of the account wagering system, including the application process for account holders, shall be operated consistent with the Act, Chapter 74 and all other laws that may be applicable.

2) As the account wagering licensee, the Authority shall oversee and manage Darby, which is acting as the Authority's agent with respect to all account wagering matters, and the Authority shall retain ultimate control and decision-making authority.

3) 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 Commission in writing of any amendments to the measures presently implemented in this regard.

4) Within six months after the issuance of this Final Determination and Order, the Authority shall ensure that TVG Network, at their sole expense, installs and implements advanced geo-location software and controls beyond the IP address-based controls currently in place to the New Jersey account wagering system in a manner that is satisfactory to the Commission's Executive Director. In considering the sufficiency of the advanced geo-location software and controls, the Commission's Executive Director shall ensure that the software and controls are tested and evaluated, at the sole expense of the Authority and TVG Network.

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 applicant 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 Commission's 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 2016 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, the Authority shall submit such proposal with specifications and procedures to the Commission's Executive Director for approval to insure that such is consistent with the Act and Chapter 74.

9) 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.

10) Prior to the commencement of such employment, the Authority shall continue to advise the Commission's 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.

11) The timely payment to the 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.

12) 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 Commission and New Jersey Division of Gaming Enforcement/New Jersey Casino Control Commission.

13) This Final Determination and Order shall be subject to the review and approval of the Attorney General as required by N.J.S.A. 5:5-140 and N.J.A.C. 13:74-3.2(f).

14) The issuance of a written account wagering license to the Authority pursuant to this Order, following any approval of the Attorney General.

IT IS FURTHER ORDERED that the Authority's previously approved "account wagering application form" and any substantive changes to be completed by individuals who desire to establish a wagering account shall be submitted to the Commission's Executive Director for approval to ensure that the application continues to comply with the Commission's rules.

IT IS FURTHER ORDERED that the Authority's acceptance of account wagering applications on-line by computer at a location additional to those specifically authorized and set forth at N.J.A.C. 13:74-7.1(b)5 is also approved for 2016 subject to the continuation of the following conditions:

15) 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.

16) 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".

IT IS FURTHER ORDERED that the Authority's continued utilization of Sportech (and Sportech's licensure for 2016) as the totalisator provider in connection with the 2016 account wagering system (subject to a 2016 contract extension, or new contract, if necessary), is approved subject to the following continued conditions:

17) 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 Commission.

18) The submission to the 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 2016.

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

20) The submission in writing to the Commission's 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.

21) 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.

22) That Sportech make a written submission and filing, for continued approval for 2017, no later than October 15, 2016.

IT IS FURTHER ORDERED that the Authority's continued utilization of TVG Network (and TVG Network's licensure for 2016) to provide the platform services for the account wagering system for 2016 (subject to a 2016 contract extension, or new contract, if necessary), is granted subject to the following conditions:

23) Any substantive changes to TVG Network's internal control procedures shall be submitted to the Commission's Executive Director for approval.

24) 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.

25) TVG Network shall comply with N.J.A.C. 13:74-7.9 before installing any new equipment or software to be utilized in connection with the account wagering system.

26) That TVG Network make a written submission and filing, for continued approval for 2017, no later than October 15, 2016.

IT IS FURTHER ORDERED that the Authority's continued utilization of Darby (with Elite providing consulting services to Darby) to act as the Authority's agent and manage the day-to-day affairs and business of the account wagering system for 2016 (subject to a 2016 contract extension, or new contract, if necessary), is granted (as is the 2016 licensing of Darby and Elite for such purposes) subject to the following conditions:

27) Darby shall act as the agent of the Authority in managing the account wagering system and Darby shall have no final decision-making authority.

28) Darby shall provide the Commission with a detailed written bi-monthly status report, by the first of each month, reporting on significant developments (both positive and negative) concerning the account wagering system.

29) Darby shall immediately notify the Commission, in writing and through its Executive Director, of any significant event or occurrence which could negatively impact the continued operation of any aspect of the account wagering system.

30) In the event there is a change in the compensation, either directly or indirectly, to be provided to Darby, or to any other person or entity, in connection with Darby's management of the account wagering system, Darby shall notify the Commission in writing before entering into any such compensation agreement and before any such compensation is paid.

31) That Darby make a written submission and filing, for continued approval for 2017 (as concerns Darby and Elite), no later than October 15, 2016.

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 2016, subject to the following condition:

32) That the NJTHA make a written submission and filing, for continued approval for 2017, no later than October 15, 2016.

IT IS FURTHER ORDERED that NMRLLC remain suitable to continue to serve as "financial qualifier" to the account wagering system (thereby allowing NMRLLC to receive an approximate 50% revenue stream each from the account wagering system) for 2016, subject to the following condition:

33) That NMRLLC (as well as NMRLLC's manager, Mr. Jeffrey Gural) make a written submission and filing, for continued approval for 2017, no later than October 15, 2016).

IT IS FURTHER ORDERED that the 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.

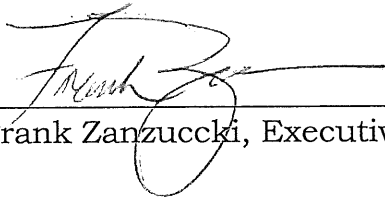
IT IS FURTHER ORDERED that the Commission delegates authority to the Racing Commission's Executive Director, to impose additional conditions upon the Authority, NMRLLC, the NJTHA, Sportech, TVG Network, Darby and as he deems necessary and appropriate during the course of the license year.

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

This Order reflects the actions taken by the Racing Commission on November 18, 2015.

NEW JERSEY RACING COMMISSION

By:



Frank Zanzuccki, Executive Director

Dated: December 2, 2015