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**KIM GUADAGNO**  
*Lt. Governor*

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**DEPARTMENT OF LAW AND PUBLIC SAFETY**  
**DIVISION OF NEW JERSEY RACING COMMISSION**  
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**PETER T. ROSELLE**  
*Commissioners*

**FRANCESCO ZANZUCCI**  
*Executive Director*

**FINAL DETERMINATION AND ORDER**

**IN THE MATTER OF THE APPLICATION  
OF THE NEW JERSEY SPORTS AND  
EXPOSITION AUTHORITY FOR THE  
RENEWAL OF THE ACCOUNT WAGERING  
LICENSE FOR JANUARY 1, 2017  
THROUGH DECEMBER 31, 2017**

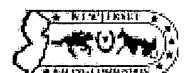
The New Jersey Sports and Exposition Authority ("Authority"), having filed an application with the New Jersey Racing Commission for approval of the renewal of its account wagering license for calendar year 2017 pursuant to the Off-Track and Account Wagering Act, N.J.S.A. 5:5-127 et seq. ("Act") and the Commission's rules at N.J.A.C. 13:74-1.1 et seq.;

**AND**, the 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**, the application having been accompanied by a fully executed participation agreement which the Authority entered into with all parties that held a valid race permit in 2000 consisting of at least 40 live race dates in the aggregate;

**AND**, the Authority having applied pursuant to the Act to operate pari-mutuel wagering on horse races by computer and through an automated telephone system utilizing patron wagering accounts during 2017;

**AND**, the Authority and other interested industry groups having sought Commission approval concerning 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 2017; 2) to continue to utilize ODS Technologies, L.P. (doing business as "TVG Network") to provide platform services for the account wagering system for 2017; and 3) for Darby Development, LLC ("Darby") to continue to act as the Authority's agent and continue to manage the



day-to-day and business affairs of the account wagering system for 2017;

**AND**, the Commission having considered the Authority's application and related matters at its public meeting on November 16, 2016 pursuant to N.J.A.C. 13:74-3.2(e);

**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 2017;

**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 2017;

**AND THE COMMISSION FINDING**, by clear and convincing evidence, that Darby (as well as its employees), is qualified to act as the Authority's agent and to manage the day-to-day and business affairs of the account wagering system for 2017:

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

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, the Commission's rules and all other applicable laws.

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) The Authority's internal control procedures concerning the filing of applications by New Jersey residents shall continue to provide that each applicant for a wagering account must first submit a copy of his or her identification credentials, confirming that the applicant is a New Jersey resident and is at least 18 years of age, before a related wagering account shall be opened.

5) The Authority's internal control procedure for patron dispute resolution pursuant to N.J.A.C. 13:74-7.16(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 he or she opens an account as required by N.J.A.C. 13:74-7.1(f).

6) A submission is made 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 or updated equipment and software to be installed and utilized in connection with the 2017 account wagering system.

7) 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 the Commission's rules.

8) 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 internal control procedures for the self-exclusion list.

9) The Authority shall advise the Commission's Executive Director in writing of the identity of all employees and their employment positions to be utilized in connection with account wagering.

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

11) This Order does not authorize the Authority to offer account wagering at or in connection with any Atlantic City casino simulcast facility. Any such offering must be preceded by a separate application to, and approval by, the Commission as well as the New Jersey Division of Gaming Enforcement or New Jersey Casino Control Commission, as applicable.

12) This 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).

13) The Authority shall make a written submission and filing for continued licensure for 2018 no later than October 13, 2017.

**IT IS FURTHER ORDERED** that any substantive changes to the Authority's previously approved "account wagering application form" which is 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 online by computer at a location additional to those specifically authorized and set forth at N.J.A.C. 13:74-7.1(b)(1) through (4) is also approved for 2017 subject to the continuation of the following conditions:

14) All account wagering applications, including any filed online by computer, shall 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.

15) Any application filed online by computer shall not be considered complete and no related wagering 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 online by computer.

**IT IS FURTHER ORDERED** that the Authority's continued utilization of Sportech as the totalisator provider in connection with the 2017 account wagering system is approved subject to the following continued conditions:

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

17) The Authority shall submit to the Commission's Executive Director any fully executed contract or extension contract between the Authority and Sportech, as the totalisator provider, necessary for the continued operation of the account wagering system.

18) Sportech and its employees shall apply for and obtain licensure from the Commission for the functions performed in connection with the account wagering system.

19) Sportech shall submit to the Commission's Executive Director, prior to utilizing such in connection with account wagering, documentation evidencing the successful testing of all new or updated equipment and software concerning the functions it is to perform in connection with the account wagering system.

20) The Authority, Sportech and TVG Network shall cooperate in the resolution of all hardware and software issues, as well as other legitimate issues, which have arisen or may arise in the operation of the account wagering system.

21) Sportech shall make a written submission and filing for continued licensure for 2018 no later than October 13, 2017.

**IT IS FURTHER ORDERED** that the Authority's continued utilization of TVG Network to provide the platform services for the account wagering system for 2017 is granted subject to the following conditions:

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

23) The Authority, Sportech and TVG Network shall cooperate in the resolution of all hardware and software issues, as well as other legitimate issues, which have arisen or may arise in the operation of the account wagering system.

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

25) TVG Network shall make a written submission and filing for continued licensure for 2018, no later than October 13, 2017.

**IT IS FURTHER ORDERED** that the Authority's continued utilization of Darby to act as the Authority's agent and manage the day-to-day affairs and business of the account wagering system for 2017 is granted subject to the following conditions:

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

27) 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.

28) 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.

29) 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.

30) Darby shall make a written submission and filing for continued licensure for 2018 no later than October 13, 2017.

**IT IS FURTHER ORDERED** that the Commission reserves its right and ability, consistent with its broad regulatory authority, to impose additional conditions with regard to the account wagering system and the approvals set forth in this Order.

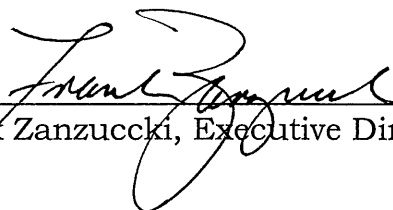
**IT IS FURTHER ORDERED** that the Commission delegates authority to the Executive Director to impose additional conditions upon the Authority, Sportech, TVG Network and Darby as he deems necessary and appropriate during the course of the 2017 license year.

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

This Order memorializes the actions taken by the Commission on November 16, 2016.

**NEW JERSEY RACING COMMISSION**

By:

  
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Frank Zanzuccki, Executive Director

Dated: December 7, 2016