

**NEW JERSEY RACING COMMISSION
WEDNESDAY, NOVEMBER 16, 2016
RACING COMMISSION OFFICE
140 EAST FRONT STREET, 8th FLOOR
TRENTON, NEW JERSEY**

A meeting of the New Jersey Racing Commission was held on Wednesday, November 16, 2016, in the Racing Commission office located at 140 East Front Street, in Trenton, New Jersey.

The following were present:

Pamela J. Clyne, Chairman
Anthony T. Abbatiello, Commissioner (by phone)
Michael J. Arnone, Commissioner (by phone)
Francis X. Keegan, Jr., Commissioner
Peter T. Roselle, Commissioner (by phone)
Frank Zanzuccki, Executive Director
SDAG George Cohen

The following were absent:

Peter J. Cofrancesco, III, Commissioner

Executive Director Frank Zanzuccki read the following statement:

“This meeting today conforms with Chapter 231, P.L. 1975, called the “Open Public Meetings Act,” and as per the requirements of the statute, notification of this meeting has been filed with the Secretary of State and with the following newspapers: Daily Racing Form, Bergen Record, Asbury Park Press, Courier-Post and the Newark Star Ledger.

WHEREAS, in order to protect the personal privacy and to avoid situations wherein the public interest might be disserved, the Open Public Meetings Act permits bodies to exclude the public from that portion of a meeting at which certain matters are discussed.

NOW, THEREFORE, BE IT RESOLVED that consistent with N.J.S.A. 10:4-12(b), the Commission will now adjourn to executive session to obtain legal advice protected from disclosure by the attorney-client privilege on the following matters:

1. Legal advice concerning the allocation of 2017 standardbred and thoroughbred permits, race dates and other related approvals for New Meadowlands Racetrack, Freehold Raceway, Monmouth Park (including the Far Hills special permit race meet) and the Meadowlands (thoroughbred);
2. Legal advice concerning the distribution of the Casino Simulcasting Special Fund (Accumulated in 2015) pursuant to N.J.S.A. 5:12-205(d);
3. Legal advice concerning the initial decision issued in Carmen Auciello v. New Jersey Racing Commission, OAL Docket No. RAC 13638-14;
4. Legal advice concerning the settlement agreement in New Jersey Racing Commission v. New Jersey Sports & Exposition Authority;
5. Consider the adoption of proposed new thoroughbred and standardbred claiming rules, proposed amendments and proposed repeals advertised at 48 N.J.R. 1590(a) and 48 N.J.R. 1597(a), respectively; and
6. Other matters requiring the advice of counsel.

Discussion of the above matters falls within the exceptions under the law; specifically, matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the Commission's attorney to exercise his ethical duties as a lawyer, and/or matters involving pending or anticipated litigation.”

Commissioner Keegan motioned to adopt the resolution to adjourn. Chairman Clyne seconded the motion. All of the Commissioners present voted to affirm. The Commission then adjourned to Executive Session.

Commissioner Keegan made a motion to adjourn from Executive Session into the Public Session. Chairman Clyne seconded the motion and the Commissioners voted to affirm. The Executive Session ended.

CONSIDER DISTRIBUTION OF THE CASINO SIMULCASTING SPECIAL FUND
(ACCUMULATED IN 2015) PURSUANT TO N.J.S.A. 5:12-205(D)

Commissioner Roselle recused himself from this agenda item.

Executive Director Zanzuccki stated that the Casino Simulcasting Special Fund monies accumulated in 2015 total \$519,015.37. He stated that in advance of the meeting, each Commissioner was provided with the submissions of the racetracks and horsemen's groups for the year in question.

The Executive Director summarized the requests received:

- Monmouth Park ("Monmouth") - "most, if not all, available funds"
- Meadowlands Racetrack ("Meadowlands") - "Appropriate share"
- Freehold Raceway ("Freehold") - \$250,000
- Thoroughbred Breeders' Association of New Jersey ("TBA") - \$129,754
- New Jersey Thoroughbred Horsemen's Association, Inc. ("THA") - 50% of available funds after distribution of priority d1 and d2.
- Standardbred Breeders & Owners Association of New Jersey, Inc. ("SBOA") - \$150,000 + 8,000 for retired racehorses

The Executive Director indicated that the CSSF Committee met on October 5, 2016 to review all documentation and reasoning regarding this matter and report back to the Commissioners. The Committee's members are: Commissioners Keegan, Cofrancesco and Chairman Clyne.

The Executive Director indicated that Chairman Clyne asked that he present the committee's findings. He pointed out that the total amount to be distributed is \$519,015.37 and noted that the statute governing distribution of Casino Simulcasting Special Fund designates an order of priority by which allocation of these funds to racetracks and horsemen's groups can and should be made.

The Executive Director started with Priority Category No. 1 which is any racetrack that can demonstrate to the Commission that its financial well-being is negatively affected by casino simulcasting. The Executive Director reported the Committee's findings that the casino simulcasting facility and casino gaming in general continue to negatively impact our three racetracks as casinos market to all areas of the State, provide transportation services and offer incentives to visit Atlantic City such as free rooms and beverages.

The Executive Director noted that all racetracks have submitted documentation of having been negatively impacted by casino simulcasting. Historically the Commission has found this to be the case when previously allocating these funds, and the Committee found it to be the case again in this particular year.

No Commissioner disagreed with the Committee's determination that all racetracks are negatively affected by casino simulcasting.

The Commission moved to Priority Category No. 2 which is any racetrack in this State which the Commission finds to be financially distressed. All three racetracks documented that they are financially distressed and the Committee found that all three racetracks qualify for funds under this priority.

No Commissioner disagreed with the Committee's determination that all racetracks are financially distressed and qualify for funds.

The Commission then discussed allocations among the racetracks pursuant to these top two priorities. The Executive Director, reading the Committee's findings, reported that the Committee proposes the three racetracks receive 80% of the available funds to be distributed as follows:

Monmouth Park, New Meadowlands, and Freehold receive \$138,404.10 each.

All Commissioners were in agreement with the Committee's findings that Monmouth Park, New Meadowlands and Freehold should receive equal amounts of \$138,404.10.

The Commission then moved on to Priority Category No. 3 which is any horsemen's organization which will use the money to fund a project which the Commission determines will be beneficial to the racing industry.

The Executive Director stated the Committee's findings that all three horsemen's organizations have submitted requests that qualify since they intend to use the funds allotted for the benefit of the industry by helping fund health and welfare programs for horsemen and to help sustain and or increase New Jersey Breeders' awards programs.

The SBOA requested \$150,000 for its Health Benefit Program and \$8,000 for funding standardbred retirement programs.

The Executive Director noted that the Chairman, at the last Commission meeting, asked that the SBOA submit names of organizations it might be considering to receive its funds for standardbred retirement program and its reasoning for evaluating each organization. The Committee received four named organizations but not definitive evaluations of each.

The THA submitted requests for an appropriate share of funds for use in its Backstretch Health and Welfare program to assist it in maintaining current levels of coverage.

The TBA requested \$129,754 to cover the payment of 2016 breeders' awards.

The Executive Director noted that after allocating funding under priority categories 1 and 2, there would remain a balance of \$103,803.07 for distribution under priority category No. 3. He explained that the Committee recommends that the balance be divided equally by breed because each breed provides significant live racing opportunities, each provides opportunities for employment, each provides substantial open space by virtue of the land devoted to horse breeding and training and each provides recreational opportunities for our residents. The Commissioners agreed that the funds be divided equally by breed.

The Committee proposed that 50% of the remaining funds be allocated to the SBOA: \$51,901.53 of which \$8,000 can be used for funding retired racehorse programs. However, since the SBOA has not supplied the Commission with the requested information regarding the standardbred retirement programs under consideration, the Committee recommends that the \$51,901.53 be withheld at this time until the SBOA provides the Commission with all of the requested information related to the retired racehorse organizations which the SBOA is considering donating money to and the analysis which the SBOA will use.

The Committee proposed that the remaining funds be split evenly between the two thoroughbred horsemen's groups:

\$25,950.77 to the THA and
\$25,950.77 to the TBA

No funds would remain for distribution under Priority Category No. 4 which is all racetracks in this State on an equal basis.

Chairman Clyne made the following motion:

“Based on a review of all documentation submitted, the discussions at this meeting and our previous meeting and the statutory requirements, I believe that the Meadowlands, Monmouth Park, and Freehold racetracks qualify under N.J.S.A. 5:12-205 (d)1 and (d)2 and I move to distribute 80% of the available funds equally to the racetracks as follows: Monmouth Park \$138,404.10, Meadowlands \$138,404.10, and Freehold \$138,404.10.

I further believe the three horsemen organizations have identified programs that are beneficial to the industry and propose that the remaining funds, totaling \$103,803.07, be shared equally by breed with the SBOA receiving 50% and the THA and TBA receiving 25% each pursuant to N.J.S.A. 5:12-205(d)3. I therefore move to distribute to the horsemen’s groups the following: \$51,901.53 to the SBOA, as the organization representing the standardbred horsemen of which \$8,000 is to be used to fund standardbred racehorse retirement programs with the remainder to the health benefits program. However, since the Commission has not received satisfactory information from the SBOA regarding the criteria it intends to use in determining which organization(s) qualifies to receive funding and the amount it intends to distribute to each, the allocation of \$51,901.53 is delayed until this information is received. I further move that the Executive Director be authorized to release the funds after sufficient information is received.

\$25,950.77 each to the THA and TBA, as the organizations representing the thoroughbred horsemen to be used to fund the health benefits program and the breeder award program respectively.

Finally, I move that NJRC staff prepare an Order detailing the actions of the Commission to be issued with the distribution of these funds and authorize the Executive Director to execute the Order on the Commission’s behalf. “

Commissioner Keegan seconded the motion and all Commissioners voted yes with the exception of Commissioner Roselle who was recused.

CONSIDER APPROVAL OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF THE SEPTEMBER 14 2016 COMMISSION MEETING

Commissioner Arone made a motion to approve the public and executive minutes of the September 14, 2016 meeting. Commissioner Keegan seconded the motion and all Commissioners voted yes with the exception of Commissioner Abbatiello who was no longer participating at the meeting.

CONSIDER THE ALLOCATION OF 2017 STANDARD BRED AND THOROUGHBRED PERMITS, RACE DATES AND OTHER RELATED APPROVALS FOR NEW MEADOWLANDS RACETRACK, FREEHOLD RACEWAY, MONMOUTH PARK (INCLUDING THE FAR HILLS SPECIAL PERMIT RACE MEET) AND THE MEADOWLANDS (THOROUGHBRED)

Executive Director Zanzuccki explained that the Commission must table the NJTHA's application to race one day in Far Hills, New Jersey as the recently enacted statute requires that the Commission notify the Far Hills' governing body that it has received the application and then give Far Hills 30 days to approve or oppose the application to race there. He indicated that the Commission could act on the Far Hills race date permit request at the Commission's January 2017 public meeting. The Executive Director then read the following statement:

"In preparation for this day, each Commissioner has been supplied with a complete set of the date applications, all written comments submitted from the industry, the law governing date allocations and the history and statistics of prior racing seasons. You now have another opportunity to summarize your positions.

This agenda item will proceed in the following order:

We will begin with the thoroughbred date request. A representative of the THA will present the Monmouth Park proposed thoroughbred schedule, followed by the Meadowlands schedule. Comments from the THA and the members of the public will follow the racetrack presentations.

The Commission will then hear the presentation from Freehold Racetrack, followed by the presentation from New Meadowlands concerning the standardbred proposed racing schedules. Comments from the SBOA and members of the public will follow. The Commission will then consider a motion and vote on the requested thoroughbred and standardbred dates.

In considering the allocation of 2017 racing dates for both thoroughbred and standardbred racing, the Commission will give due consideration to the public interest factors enumerated in the statute. Briefly, those factors are:

1. Protect the State's revenue.
2. Provide for continuity of racing and year-round racing so as to promote the racing industry and maintain and enhance the employment which is provided to this State.

3. Provide recreational opportunity for residents.
4. Maintain and improve this State's competitive position with regard to neighboring racing states.

While these are the main factors, the Commission must also recognize and address such issues as horse availability, the effect of overlapping racing dates, the financial situation of the various racetracks, the erosion of live racing dates, and the overall status of the racing industry.”

THOROUGHBRED RACE DATES

Monmouth Park and Meadowlands Racetrack (thoroughbred)

John Heims, Esq., on behalf of the NJTHA, asked for approval of the Monmouth Park and Meadowlands' dates as submitted to the Commission which consists of 56 days to be conducted at Monmouth Park and 15 all turf days to be run at the Meadowlands' facility. Executive Director Zanzuccki asked Mr. Heims if it is possible to shift the thoroughbred race day scheduled at the Meadowlands on the same day as the Far Hills race date as racing will be conducted at three facilities on that date and this will cause significant overload to Commission staff. Mr. Heims responded that the NJTHA will consider moving the date at the Meadowlands.

Thoroughbred Horsemen's Association

It was noted that Michael Musto, Executive Director of the NJTHA was not present, however, John Heims indicated that Mr. Musto asked that he speak on his behalf. Mr. Heims stated that the horsemen are in support of the dates requested.

There were no further comments on the thoroughbred race dates.

STANDARD BRED RACE DATES

Freehold Raceway

Howard Bruno, General Manager of Freehold Raceway, requested a 95-day meeting beginning on January 5th through May 6th and the summer/fall meet beginning on September 1 through December 30. Mr. Bruno acknowledged that Freehold has reduced its dates by 15 days from the 2016 schedule.

New Meadowlands Racetrack

Peter Koch, Race Secretary for the New Meadowlands Racetrack, requested a similar schedule to that of 2016 with 91 days of racing beginning on January 6 through August 5 and September 8 through December 30.

Standardbred Breeders' and Owners' Association

Mark Ford, President of the SBOA, indicated the standardbred horsemen would like to race more days but understands that this is the best racing schedule. It was noted for the record that the Commission has received written consent of the SBOA for the reduction in standardbred dates.

There were no further comments on the standardbred race dates.

Chairman Clyne made the following motion:

“After review and consideration of all information received concerning the 2017 thoroughbred and standardbred race date requests of the permit holders as identified by Executive Director Zanzuccki, as well as the additional comment received at this meeting, I move approval of the date requests submitted by the permit holders as follows:

Monmouth Park	56 dates covering the period from May 13 through September 24
Meadowlands	15 dates beginning on May 5 and 6 and from October 8 through November 11
Freehold	95 dates covering the period from January 5 through May 6 and from September 1 through December 30
New Meadowlands	91 dates covering the period from January 6 through August 5 and from September 8 through December 30

I further move that Commission staff prepare an Order detailing the actions of the Commission to be issued with the date allocations and permit conditions and that we authorize the Executive Director to execute the Order on the Commission's behalf.”

Commissioner Keegan seconded the motion and all Commissioners voted yes to approve the 2017 race dates.

CONSIDER APPROVAL OF FREEHOLD RACEWAY'S 2017 HARNESS WAGERING FORMAT, ADMISSION PRICES, DEPARTMENT HEADS, ETC.

Commissioner Keegan motioned to approve the 2017 race format of Freehold Raceway. Chairman Clyne seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF NEW MEADOWLANDS RACING, LLC'S 2017 HARNESS WAGERING FORMAT, ADMISSION PRICES, DEPARTMENT HEADS, ETC.

Commissioner Arnone motioned to approve the 2017 race format of the New Meadowlands Racetrack. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPLICATIONS TO RENEW THE OFF-TRACK WAGERING LICENSES FOR 2017 FOR THE OFF-TRACK WAGERING FACILITIES ("OTWS") LOCATED IN:

- a) Toms River
- b) Vineland
- c) Bayonne
- d) Woodbridge
- e) Gloucester Township
- f) Hillsborough

Chairman Clyne made the following motion:

“The Commission has received applications to renew the off-track wagering licenses for calendar year 2017 for the Bayonne, Toms River, Vineland, Woodbridge, Gloucester township and Hillsborough off-track wagering facilities.

The Commission has considered the application materials submitted by the parties and material provided by staff, which includes proposed orders and license conditions.

In reviewing these materials, I would note tht the license conditions in each case properly include the condition that the decision of this Commission is subject to the review and approval of Attorney General Christopher Porrino.

Based upon my review, I find that each OTW license renewal applicant continues to meet the legal requirements set forth in the “Off-Track and Account Wagering Act” and the rules of the Commission, inclusive of N.J.A.C. 13:74-2.3, and that each applicant is in substantial compliance with the license conditions individually imposed upon it.

I also find that the proposed orders and license conditions, as to each applicant, are satisfactory and appropriate.

I therefore move that each renewal application be approved, and that this Commission authorize the Executive Director to issue the proposed orders and conditions as to each applicant subject to and conditional upon the approval of the Attorney General.”

Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE NEW JERSEY RACETRACK PERMIT HOLDERS TO CONDUCT SENDING AND RECEIVING, INTRA AND INTERSTATE SIMULCASTING AT THEIR RACETRACKS AND OTWS IN 2017 AND TO CONDUCT COMMON POOL AND SEPARATE POOL PARIMUTUEL WAGERING THEREUPON

Chairman Clyne made a motion to approve the request of the racetrack permit holders and off-track wagering facilities to conduct intra and interstate simulcasting and to conduct pari-mutuel wagering thereupon subject to Commission Schedules F, G and H, and the Federal Interstate Horse Racing Act. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF MARINA DISTRICT DEVELOPMENT COMPANY, LLC (DOING BUSINESS AS THE BORGATA HOTEL, CASINO & SPA (“BORGATA”)) TO ACCEPT INTRA AND INTERSTATE SIMULCASTING FROM APPROVED RACING FACILITIES AND TO CONDUCT INTRA AND INTERSTATE COMMON POOL AND SEPARATE POOL PARIMUTUEL WAGERING IN 2017

Commissioner Keegan motioned to approve the request of the Borgata to accept intra and interstate simulcasting from approved racing facilities and to conduct pari-mutuel wagering from the facilities subject to Commission Schedules A, B and C. Chairman Clyne seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE APPLICATION OF THE NEW JERSEY SPORTS AND EXPOSITION AUTHORITY (“AUTHORITY”) TO RENEW THE ACCOUNT WAGERING LICENSE FOR 2017, RECEIVE INTRA AND INTERSTATE SIMULCASTING AND TO CONDUCT INTRA AND INTERSTATE COMMON POOL AND SEPARATE POOL PARIMUTUEL WAGERING IN 2017

Chairman Clyne made the following motion:

“The Commission has received a valid application from the New Jersey Sports and Exposition Authority to renew its account wagering license.

Based upon my review, I find that the Authority continues to meet the legal requirements set forth in the “Off-Track and Account Wagering Act,” and the Commission’s rules, clearly and convincingly. I also find that the proposed Order and proposed license conditions for 2017, as to the Authority, are satisfactory and complete. I also find that the list of racetracks from which a simulcast signal will be received to be satisfactory. I move that the Commission authorize the Executive Director to issue the proposed Order and license conditions, subject to the Commission’s approval of the related public agenda items.”

Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF SPORTECH RACING, INC. TO CONTINUE TO PROVIDE TOTALISATOR SERVICES AND ACT AS THE HUB FACILITY AT THE MOUNT LAUREL DATA CENTER IN 2017 FOR THE APPROVED RACING FACILITIES, THE OTWS, THE BORGATA AND THE ACCOUNT WAGERING SYSTEM

Chairman Clyne motioned to approve Sportech Racing, Inc. to continue to provide totalisator services and act as the hub facility in 2017. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE RACETRACK PERMIT HOLDERS, THE OTWS, THE BORGATA AND THE ACCOUNT WAGERING SYSTEM TO CONDUCT ADVANCE WAGERING (FULL OR PARTIAL CARD) ON THE FOLLOWING RACES OF NATIONAL INTEREST IN 2017: ARC DE TRIOMPHE, BELMONT STAKES, BREEDERS CROWN DAY, BREEDERS CUP (ULTRA PICK 6), CANE PACE, CLAIMING CROWN, DUBAI RACING, ELITOPP (SWEDEN), FLORIDA DERBY, KENTUCKY DERBY, HAMBLETONIAN ELIMINATIONS DAY, HAMBLETONIAN DAY, HASKELL INVITATIONAL, JAPAN CUP, MEADOWLANDS PACE DAY, MELBOURNE CUP, PENNSYLVANIA DERBY, PREAKNESS, PRIX D’ AMERIQUE RACE, SANTA ANITA DERBY, SANTA ANITA HANDICAP, TRAVERS, AND WOODFORD RESERVE

Commissioner Keegan motioned to approve the request of the permit holders, the off-track wagering facilities, the Borgata and the account wagering system to offer races of national interest and to conduct advance wagering on those races. Chairman Clyne seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE RACETRACK PERMIT HOLDERS, THE OFF-TRACK WAGERING FACILITIES, THE BORGATA AND THE ACCOUNT WAGERING SYSTEM TO OFFER 2017 SPECIAL WAGERS OF NATIONAL INTEREST AND CONDUCT ADVANCE WAGERING

Commissioner Keegan motioned to approve the request of the permit holders, the off-track wagering facilities, the Borgata and the account wagering system to offer special wagers of national interest and to conduct advance wagering on those wagers. Chairman Clyne seconded the motion and all Commissioners voted yes.

CONSIDER DARBY'S REQUEST, ON BEHALF OF THE THA, TO CANCEL RACES ON SEPTEMBER 30 AND OCTOBER 1, 2016 DUE TO RAIN SOAKED TURF COURSE

Commissioner Roselle made a motion to approve the request of Darby to cancel the races on September 30 and October 1, 2016. Chairman Clyne seconded the motion and all Commissioners voted yes.

CONSIDER THE INITIAL DECISION ISSUED IN CARMEN AUCIELLO V. NEW JERSEY RACING COMMISSION, OAL DOCKET NO. RAC 13638-2014

Commissioner Keegan made a motion to accept the Initial Decision as the Final Decision in this matter. Chairman Clyne seconded the motion and all Commissioners voted yes.

CONSIDER SETTLEMENT AGREEMENT IN NEW JERSEY RACING COMMISSION V. NEW JERSEY SPORTS & EXPOSITION AUTHORITY

Executive Director Zanzuccki noted that two letters were received from Freehold Off-Track Wagering and the New Jersey Sports and Exposition Authority in connection with this item and that the letters were made part of the Commission's record in this matter.

The Executive Director read the following statement:

“Before the Commission is a proposed Settlement Agreement with the New Jersey Sports and Exposition Authority intended to resolve alleged violations of the Off-Track and Account Wagering Act and the Commission's rules which took place in 2008 through 2013. As you are aware, the Act states that the Authority, as the account wagering licensee, “may not accept an account wager, or series of wagers, in an amount in excess of funds on deposit in the wagering account of the holder placing the wager.” The Commission's rules also prohibit the Authority from accepting wagers in excess of the amount actually available in the account.

In January 2013, the Authority notified the Commission that a person who had been an account wagering patron since 2008 had incurred a deficit of approximately \$286,000 in his wagering account in the summer of 2012 and the Commission immediately commenced an investigation. The Commission learned that Authority staff had engaged in a practice with the Patron whereby Authority staff would treat the Patron's checks and notice of wire transfers like cash by immediately crediting the Patron's account with the amount of monies involved. As a result of this practice, the Patron accumulated a deficit of approximately \$286,000 in his wagering account in the summer of 2012 when wire transfers failed to arrive as promised and certain checks written by the Patron were not paid. The Authority stated that the New Jersey account wagering system was not negatively impacted by the Patron's debt because the Authority used Authority monies to cover the debt until the Patron paid the \$286,000 deficit in full in February 2013.

Thereafter, Commission staff obtained legal advice and entered into settlement negotiations with the Authority in an attempt to resolve the alleged violations without the expense and inconvenience of prosecuting an administrative hearing and appeal. Before you today is a proposed Settlement Agreement in which the Authority agrees to make a payment of \$20,000 for the alleged violation of the Act and the Commission's rules. Specifically, the Authority agrees to make a \$10,000 payment for the alleged violation of N.J.S.A. 5:5-144(c) and N.J.A.C. 13:74-7.3(a) and a \$10,000 payment for the alleged violation of N.J.A.C. 13:74-5.11(a). Pursuant to N.J.S.A. 5:5-44.8a, the full \$20,000 payment will be utilized for the Backstretch Fund.

Staff notes that the Authority fully cooperated with the Commission's investigation and that the Authority took corrective measures as a result of this matter which were intended to prevent the future possibility of deficit wagering.

The Commission may accept, reject or seek to modify the proposed Settlement Agreement. Staff recommends acceptance."

Chairman Clyne motioned to accept the proposed Settlement Agreement. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE ADOPTION OF PROPOSED NEW THOROUGHBRED AND STANDARD BRED CLAIMING RULES, PROPOSED AMENDMENTS AND PROPOSED REPEALS ADVERTISED AT 48 N.J.R. 1590(A) AND 48 N.J.R. 1597(A), RESPECTIVELY

Executive Director Zanzuccki stated comments were filed by John Forbes, President of the NJTHA. He summarized each of the comments and the Commission's responses which will be published in the New Jersey Register with the Notice of Adoption.

The Executive Director stated that staff considered the comments received and determined that none of the comments warranted amendment to the proposed regulations. Staff recommends the Commission approve the summary of the comments, the draft responses to each comment and the adoption of the rules as proposed.

Chairman Clyne made the following motion:

"I moved that the Commission accept the summary of the comments and the draft responses as presented. I also move that the Commission adopt the proposed amendments and new standardbred and thoroughbred claiming rules and direct staff to prepare all necessary documentation for submission to the Office of Administrative Law for adoption."

Commissioner Arnone seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE 2017 BACKSTRETCH ADVISORY COMMITTEE BUDGET

Chairman Clyne motioned to approve the 2017 Backstretch Advisory Committee budget. Commissioner Keegan seconded the motion and all Commissioners voted yes. Executive Director Zanzuccki commended the work performed by Dr. Christopher Samaha, the director of the Backstretch Program.

CONSIDER APPROVAL OF THE 2017 PROGRAM BUDGETS

Commissioner Roselle made a motion to approve the 2017 program budgets. Chairman Clyne seconded the motion and all Commissioners voted yes.

CONSIDER DELEGATION TO THE EXECUTIVE DIRECTOR, OR HIS DESIGNEE, OF THE COMMISSION'S AUTHORITY TO REVIEW, APPROVE AND OVERSEE HANDICAPPING CONTESTS UPON APPLICATION BY PERMIT HOLDERS OR THE CASINO SIMULCASTING LICENSEE IN ACCORDANCE WITH N.J.S.A. 5:5-63.2, N.J.A.C. 13:70-29.63 AND N.J.A.C. 13:71-27.61

Chairman Clyne made the following motion:

"I move that the Commission delegate the authority to review, approve and oversee handicapping contests to the Executive Director, or his designee, in accordance with N.J.A.C. 13:70-29.63 and N.J.A.C. 13:71-27.61 without requiring that he obtain ratification from the Commissioners. This delegation shall continue indefinitely unless modified by further Order of the Commission. I also move that the Commission authorize the Executive Director to execute the draft Order provided to us regarding this matter on the Commission's behalf."

Commissioner Keegan seconded the motion and all Commissioners voted yes.

ITEMS FOR DISCUSSION AND INFORMATION

The Executive Director stated that notice of the 2017 Racing Commission meeting dates is available and will be provided to the industry.

There being no further discussion or comments from the public, Commissioner Keegan moved that the meeting be adjourned. Commissioner Arnone seconded the motion and it was approved unanimously.

ATTEST:



Executive Director Frank Zanzuccki