

Greyhound Rule 6000 – Advance Deposit Wagering.

(a) As used in this Rule:

(i) "ADW" means advance deposit wagering.

(ii) "Commission" means the Arkansas Racing Commission.

(iii) "Federal Interstate Horseracing Act" means the federal Interstate Horseracing Act of 1978, as amended, 15 U.S.C. Section 3001 *et seq.*, as in effect on the effective date of this Rule.

(iv) "Franchise Holder" means the holder of a franchise to conduct pari-mutuel wagering on (1) horse racing under the Arkansas Horse Racing Law, Arkansas Code Section 23-110-101 *et seq.* or (2) greyhound racing under the Arkansas Greyhound Racing Law, Arkansas Code Ann Section 23-111-101 *et seq.*

(v) "Greyhound Racing Franchise Holder" means the holder of a franchise to conduct pari-mutuel wagering on greyhound racing under the Arkansas Greyhound Racing Law, Arkansas Code Ann. Section 23-111-101 *et seq.*

(vi) "Horse Racing Franchise Holder" means the holder of a franchise to conduct pari-mutuel wagering on horse racing under the Arkansas Horse Racing Law, Arkansas Code Section 23-110-101 *et seq.*

(vii) "Other ADW Provider" means any individual or entity licensed in a jurisdiction other than Arkansas to engage in ADW on horse or greyhound racing that accepts advance deposit wagers from Arkansas residents, under the applicable law of the jurisdiction where the individual or entity is so licensed, and in the case of horse racing, under the Federal Interstate Horseracing Act.

(b) Horse Racing Franchise Holders may conduct ADW under Arkansas Code Section 23-110-405(e) and in accordance with this Rule. Greyhound Racing Franchise Holders may conduct ADW under Arkansas Code Section 23-111-508(e) and in accordance with this Rule.

(c) A Franchise Holder's patrons may, with money on deposit in an account with the Franchise Holder, place wagers by communication through telephone or other mobile device, or through other electronic means, on races conducted at the Franchise Holder's race track facility and races (horse and greyhound) at other racetracks, whether or not the patron is located on the grounds of the Franchise Holder's race track facility when placing the wager.

(d) A Franchise Holder or Other ADW Provider may not accept advance deposit wagers under this Rule on any horse or greyhound race unless the Franchise Holder or Other ADW Provider, as the case may be, has the consent of the host racetrack (i.e., the racetrack

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where the race is conducted) allowing the Franchise Holder or Other ADW Provider, as the case may be, to accept wagers on such race.

(e) Prior to conducting ADW under this Rule, the Franchise Holder shall provide to the Commission the Franchise Holder's proposed rules governing patrons' ADW accounts, and such rules shall be subject to approval by the Commission. Such ADW account rules (as approved by the Commission) shall be made available to each account holder at the time the ADW account is opened, either online at the Franchise Holder's internet website or ADW platform, or in other written form delivered, mailed or otherwise made reasonably available to the account holder.

(f) ADW accounts may be opened only by an individual eighteen (18) years of age or older. An applicant for an ADW account with a Franchise Holder must provide to the Franchise Holder the applicant's name, resident address, mailing address (if different), social security number, date of birth, and such other information required by the Franchise Holder's ADW account rules.

(g) Franchise Holders and Other ADW Providers conducting ADW under this Rule shall operate a secure ADW platform consistent with (or exceeding) current security standards and protocols in the ADW industry. Each ADW account shall have a separate unique user name and passcode (or personal identification number).

(h) Funds in ADW accounts shall be segregated from the Franchise Holder's own funds, and shall be maintained in a separate account or accounts separate and apart from the Franchise Holder's other accounts.

(i) A Franchise Holder may contract with an Other ADW Provider to utilize the Other ADW Provider's ADW platform as the Franchise Holder's ADW platform under this Rule.

(j) Wagers accepted under Arkansas Code Section 23-110-405(e) or Arkansas Code Section 23-111-508(e), as applicable to the Franchise Holder, and this Rule shall be treated for all purposes under the provisions of Arkansas Horse Racing Law, Arkansas Code Section 23-110-101 et seq. or the Arkansas Greyhound Racing Law, Arkansas Code Ann. Section 23-111-101 et seq., as applicable to the Franchise Holder, and the rules of the Commission, as if the wagers were made by the patron on the grounds of the Franchise Holder's race track facility (e.g., advance deposit wagers accepted by the Franchise Holder on its live races, shall be treated as if the patron made a wager at the Franchise Holder's racetrack facility on a live race conducted at the Franchise Holder's racetrack facility, and advance deposit wagers accepted by the Franchise Holder on simulcast races from other racetracks, shall be treated as if the patron made a wager at the Franchise Holder's racetrack facility on the simulcast race).

(k) On or before January 7, 2014, and continuing on or before January 7 (if a business day, or if not, by the next business day) of each calendar year thereafter, each Other ADW Provider shall register as such with the Commission on forms supplied by the Commission, and shall provide to the Commission information reasonably requested by the Commission to verify that the Other ADW Provider is (i) duly licensed by the applicable regulatory agency and (ii) in

good standing in the jurisdiction where the Other ADW Provider is licensed to conduct ADW. Other ADW Providers accepting wagers on horse racing from Arkansas residents shall comply, as applicable, with the Federal Interstate Horseracing Act.

(1) An Other ADW Provider may not accept advance deposit wagers on horse racing from Arkansas residents unless the Other ADW Provider has a mutually acceptable written agreement in place with the Arkansas Horse Racing Franchise Holder to pay the Arkansas Horse Racing Franchise Holder commercially reasonable source market fees consistent with generally prevailing standards in the horse racing ADW industry relating to such source market fees. The Arkansas Horse Racing Franchise Holder shall have a mutually acceptable written agreement in place with the organization representing horsemen at the Horse Racing Franchise Holder's racetrack regarding the portion of such source market fees to be dedicated and used for purses on live horse races conducted at the Horse Racing Franchise Holder's racetrack.

(m) An Other ADW Provider may not accept advance deposit wagers on greyhound racing from Arkansas residents unless the Other ADW Provider has a mutually acceptable written agreement in place with the Arkansas Greyhound Racing Franchise Holder to pay the Arkansas Greyhound Racing Franchise Holder commercially reasonable source market fees consistent with generally prevailing standards in the greyhound racing ADW industry relating to such source market fees. The Arkansas Greyhound Racing Franchise Holder shall have a mutually acceptable written agreement in place with the organization representing greyhound owners and trainers at the Greyhound Racing Franchise Holder's racetrack regarding the portion of such source market fees to be dedicated and used for purses on live greyhound races conducted at the Greyhound Racing Franchise Holder's racetrack.

Thoroughbred Rule 2800 – Advance Deposit Wagering.

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(iv) "Franchise Holder" means the holder of a franchise to conduct pari-mutuel wagering on (1) horse racing under the Arkansas Horse Racing Law, Arkansas Code Section 23-110-101 *et seq.* or (2) greyhound racing under the Arkansas Greyhound Racing Law, Arkansas Code Ann Section 23-111-101 *et seq.*

(v) "Greyhound Racing Franchise Holder" means the holder of a franchise to conduct pari-mutuel wagering on greyhound racing under the Arkansas Greyhound Racing Law, Arkansas Code Ann. Section 23-111-101 *et seq.*

(vi) "Horse Racing Franchise Holder" means the holder of a franchise to conduct pari-mutuel wagering on horse racing under the Arkansas Horse Racing Law, Arkansas Code Section 23-110-101 *et seq.*

(vii) "Other ADW Provider" means any individual or entity licensed in a jurisdiction other than Arkansas to engage in ADW on horse or greyhound racing that accepts advance deposit wagers from Arkansas residents, under the applicable law of the jurisdiction where the individual or entity is so licensed, and in the case of horse racing, under the Federal Interstate Horseracing Act.

(b) Horse Racing Franchise Holders may conduct ADW under Arkansas Code Section 23-110-405(e) and in accordance with this Rule. Greyhound Racing Franchise Holders may conduct ADW under Arkansas Code Section 23-111-508(e) and in accordance with this Rule.

(c) A Franchise Holder's patrons may, with money on deposit in an account with the Franchise Holder, place wagers by communication through telephone or other mobile device, or through other electronic means, on races conducted at the Franchise Holder's race track facility and races (horse and greyhound) at other racetracks, whether or not the patron is located on the grounds of the Franchise Holder's race track facility when placing the wager.

(d) A Franchise Holder or Other ADW Provider may not accept advance deposit wagers under this Rule on any horse or greyhound race unless the Franchise Holder or Other ADW Provider, as the case may be, has the consent of the host racetrack (i.e., the racetrack

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where the race is conducted) allowing the Franchise Holder or Other ADW Provider, as the case may be, to accept wagers on such race.

(e) Prior to conducting ADW under this Rule, the Franchise Holder shall provide to the Commission the Franchise Holder's proposed rules governing patrons' ADW accounts, and such rules shall be subject to approval by the Commission. Such ADW account rules (as approved by the Commission) shall be made available to each account holder at the time the ADW account is opened, either online at the Franchise Holder's internet website or ADW platform, or in other written form delivered, mailed or otherwise made reasonably available to the account holder.

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(k) On or before January 7, 2014, and continuing on or before January 7 (if a business day, or if not, by the next business day) of each calendar year thereafter, each Other ADW Provider shall register as such with the Commission on forms supplied by the Commission, and shall provide to the Commission information reasonably requested by the Commission to verify that the Other ADW Provider is (i) duly licensed by the applicable regulatory agency and (ii) in

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(1) An Other ADW Provider may not accept advance deposit wagers on horse racing from Arkansas residents unless the Other ADW Provider has a mutually acceptable written agreement in place with the Arkansas Horse Racing Franchise Holder to pay the Arkansas Horse Racing Franchise Holder commercially reasonable source market fees consistent with generally prevailing standards in the horse racing ADW industry relating to such source market fees. The Arkansas Horse Racing Franchise Holder shall have a mutually acceptable written agreement in place with the organization representing horsemen at the Horse Racing Franchise Holder's racetrack regarding the portion of such source market fees to be dedicated and used for purses on live horse races conducted at the Horse Racing Franchise Holder's racetrack.

(m) An Other ADW Provider may not accept advance deposit wagers on greyhound racing from Arkansas residents unless the Other ADW Provider has a mutually acceptable written agreement in place with the Arkansas Greyhound Racing Franchise Holder to pay the Arkansas Greyhound Racing Franchise Holder commercially reasonable source market fees consistent with generally prevailing standards in the greyhound racing ADW industry relating to such source market fees. The Arkansas Greyhound Racing Franchise Holder shall have a mutually acceptable written agreement in place with the organization representing greyhound owners and trainers at the Greyhound Racing Franchise Holder's racetrack regarding the portion of such source market fees to be dedicated and used for purses on live greyhound races conducted at the Greyhound Racing Franchise Holder's racetrack.