



Michigan Horse Racing Advisory Commission

**TVG
March 6, 2017**

Authorization for Michigan Simulcast Wagering

- Section 17 (7) and Section 17 (8) of the Michigan statute governing pari-mutuel wagering on horseracing both make clear that the prohibitions on pari-mutuel wagering contained in those subsections “d[o]es not prevent simulcasting or intertrack or interstate common pool wagering inside or outside of this state as permitted by this act or the rules promulgated under this act.”.
- The Commission can approve a licensee authorized to conduct a thoroughbred and/or harness race meeting to enter into an agreement with one or more vendor(s) whereby those vendors to act as agent in accepting intertrack or interstate common pool wagering on its behalf, regardless of brand offered.
- This approach is not precluded by the Administrative Rules in Michigan.

Oregon Statute

- TVG is licensed by the Oregon Racing Commission (“ORC”) pursuant to ORS 462.725 as a Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub.
- As such, TVG “through a qualified subscriber based service, conducts pari-mutuel wagering on the races that it simulcasts and other races that it carries in its wagering menu”. (OAR 462-222-010)
- Pursuant to OAR 462-222-020, accounts can be established and operated for people whose principal residence is outside of the State of Oregon including residents of foreign jurisdictions if:
 - (a) Wagering on that same type of live racing is lawful in the jurisdiction which is the natural person's principal residence; and
 - (b) The hub complies with the provisions of the Interstate Horseracing Act, 15 U.S.C. § 3001 to 3007.

Service Agreement

- Pursuant to a proposed agreement, TVG would provide simulcast totalizator wagering services for one or more Michigan licensees as a vendor on their behalf that include:
 - Age and residency verification
 - Allow new accounts to be opened and managed and deposits and withdrawals to be processed on the ADW System via an online Customer Relationship Management ("CRM") system
 - Hardware, software and services necessary to provide simulcast wagering
 - Customer Services and Wager Operations Services
 - Data Security services for account information

Transaction Flow

- TVG would accept and hold account deposits from customers on behalf of the Michigan licensees
- TVG would accept and process simulcast wagers on behalf of the Michigan licensees from those customer deposits.
- After paying winning customers, TVG would provide to the Michigan licensees full suite of reporting services and the aggregate funds.
- The Michigan licensees would then, as is custom for simulcast wagering, conduct monthly settlements and reconciliations from those transactions.