

RULES OF ACCOUNT WAGERING

PariPool 525

PariPool 525.00 Definitions

PariPool 525.00(a) "account" means an account for account wagering with a specific identifiable record of deposits, wagers, and withdrawals established by an account holder and managed by the licensee.

PariPool 525.00(b) "account holder" means the individual who has made an application for an account, whose application for an account is approved and who is solely responsible for all the transactions with the account.

PariPool 525.00(c) "account wagering" means a form of pari-mutuel wagering in which an individual may deposit money in an account with a licensee and then use the account balance to make and pay for pari-mutuel wagering conducted by the licensee and which wager may be made in person, by direct telephone call or by communication through other electronic media by the holder of the account to the licensee.

PariPool 525.00(d) "Commission" means the New Hampshire Racing and Charitable Gaming Commission

PariPool 525.00(e) "Licensee" means an entity licensed to conduct thoroughbred horse racing, harness horse racing or greyhound dog racing under RSA 284.

PariPool 525.01 ACCOUNTS

PariPool 525.01(a) Accepting Account Wagers

Licensees may accept account wagers on any pari-mutuel pool the licensee offers.

PariPool 525.01(b) Establishing An Account

An established account is necessary to place account wagers. An account may be established either at the licensee’s facility or by mail to a licensee. Each account so established shall have only one account holder.

PariPool 525.01 (c) Account Holders

Only individuals 18 years of age or older may be account holders.

PariPool 525.01 (d) Account Application

A wagering account may be established by completing a written form containing, at a minimum, the following information:

Full legal name _____

Physical address of the principal residence of the applicant

Mailing address of the applicant, if different from above

Telephone number _____

Date of Birth _____

Social Security Number or Federal Identification Number

Date _____ Signature _____

A false statement made in regard to this application may subject you to prosecution under RSA 641:3.

Complete and sign this form and submit or mail directly to the licensee at the licensed facility at

A photocopy of a valid driver’s license or official non-driver’s identification issued by the state of residence must accompany this application.

PariPool 525.01(e) Rejection of Application

The licensee may accept or reject an application after receipt and review of the application for compliance with statutes and these rules.

PariPool 525.01(f) Account Number

Each account shall have a unique identifying account number to be given to the account holder by the licensee. The identifying account number may be changed at any time by the licensee provided the licensee informs the account holder in writing or by electronic means prior to the change.

PariPool 525.01(g) Account Holder's Personal Code

After an application for an account has been approved by the licensee, the licensee shall supply the account holder with an alpha-numeric code, to be used as a secure personal identification code when the account holder is placing an account wager. The account holder has the right to change this code at any time provided that the change is verified by the licensee.

PariPool 525.01(h) Account Holder to Receive Rules

The holder of the account shall receive, at the time the account is approved, and at any time these rules may be amended, a copy of the account wagering rules and such other information and material that is pertinent to the operation of the account.

PariPool 525.01 (i) Adoption of Account Wagering Plan

- (1) Before implementation of account wagering, each licensee shall submit to the Commission in writing a "New Hampshire Account Wagering Plan" as provided by the Commission as to the operational functions, staffing, and physical location of the operations center, and any other information the Commission may request.
- (2) Account wagering shall not be permitted until the Commission approves such Account Wagering Plan.
- (3) The account wagering plans currently on file with the Commission as of January 1, 2009 shall remain in effect until March 31, 2009. If a "New Hampshire Account Wagering Plan" has not been submitted to the Commission by March 1, 2009, the licensee shall not conduct account wagering after March 31, 2009.
- (4) Any changes to an account wagering plan shall be submitted in writing to and approved by the Commission before being implemented.

PariPool 525.01(j) Licensee may close account

The licensee may close or refuse to open an account in its sole discretion, and shall order an account closed if it is determined that information that was used to open an account was false, or that the account has been used in violation of these rules.

PariPool 525.01(k) Return of monies from a closed account

When an account is closed by the licensee, the licensee shall, within five business days, return to the account holder all monies then on deposit by sending a check payable to the account holder to the mailing address as listed on the application.

PariPool 525.01(l) Refusal of Deposits

The licensee may refuse deposits to an account in its sole discretion. Any such deposits shall immediately be returned to the account holder.

PariPool 525.01(m) Accounts Not Transferable

Accounts are not transferable.

PariPool 525.01(n) Credits to an account by deposit

Deposits made to an account by the account holder shall be submitted or mailed by the account holder directly to the licensee and shall be in the form of one of the following: (1) Cash given to an agent of the licensee within the racetrack enclosure. (2) Check, money order or negotiable order of withdrawal.

PariPool 525.01(o) Credits to an account by winning wager

Winnings from wagers placed with funds from an account and credit for account wagers on entries that are scratched or are refunded shall be posted to the account by the licensee, subject to any withholding requirements.

PariPool 525.01(p) Debits to an account from a wager

Upon receipt by a licensee of an account wager properly placed under these rules, the licensee shall debit the wagerer's account in the amount of the wager.

PariPool 525.01(q) Debits to an account by withdrawal in person

A licensee may authorize a withdrawal from an account when the holder of an account presents himself at the licensee’s facility, and provides proper identification and a properly completed and executed withdrawal slip containing, at a minimum, the following information:

Full Name _____
Account Number _____
Amount to Withdraw _____
Date _____
Signature _____

PariPool 525.01(r) Debits to an account by withdrawal other than in person

The account holder may send to the licensee at the licensee’s facility a properly completed and executed withdrawal slip on a form approved by the Commission. Upon receipt of a properly completed and executed withdrawal form, and if there are sufficient collected funds in the account to cover the withdrawal, the licensee shall, within 2 business days of receipt, send a check to the holder at the mailing address specified in the application for the account. The check shall be payable to the holder of the account and in the amount of the requested withdrawal.

PariPool 525.02 ACCOUNT WAGERING

PariPool 525.02(a) Placing and accepting wagers

Wagers shall be placed to the licensee’s pari-mutuel system by the holder of an account. All pari-mutuel wagers shall be reported as wagered through the licensee's New Hampshire pari-mutuel computer system and the appropriate pari-mutuel tax and breakage shall be paid as required under RSA 284. An account wager may be made in person, by telephone call or by communication through other electronic media by the holder of the account to the licensee. The account holder placing the wager shall provide the licensee with the correct account number and personal identification number.

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An account wager may be made in person, by telephone call or by communication through other electronic media by the holder of the account to the licensee.

The account holder placing the wager shall provide the licensee with the correct account number and personal identification number.

PariPool 525.02(b) Wagers in excess of funds on deposit prohibited

A licensee may not accept an account wager in an amount in excess of funds on deposit in the wagering account of the holder placing the wager.

PariPool 525.02(c) Inactive Accounts

When an account is inactive for a period of ten months or more, the licensee shall send a notice to the account holder at the mailing address listed on the application requesting that the account holder take steps necessary to close the account or indicate that they wish to keep the account open. If the account holder fails to notify the licensee of their intentions after 60 days, the licensee shall close the account and return all monies then on deposit by sending a check payable to the account holder at said mailing address. Any monies returned as undeliverable shall be considered "abandoned property" and be subject to RSA 471, a list of such accounts and balances shall be forwarded to the Commission.

PariPool 525.02(d) Hours of Operation

Account wagers may be accepted during such time and on such days as approved by the commission.

PariPool 525.03 GENERAL RULES

PariPool 525.03(a) Limitation of Liability

The licensee shall not be liable for any unauthorized withdrawal of funds from an account that is not caused by the negligence of the licensee. It is the account holder's responsibility to protect deposits in the account by keeping his password to the account strictly confidential between the account holder and the licensee. Under no circumstances will any claim for lost funds be considered unless the claim is made, in writing, to the licensee within sixty days from

the time the funds were removed from the account. The applicant shall acknowledge this limitation of liability at the time application is made by signing and dating a statement as follows:

“I have read and understand the limitation of liability statement”.

PariPool 525.03(b) Wagers to be Recorded

All account wagers shall be recorded electronically or digitally, by voice in the case of a telephone wager, and kept for a period of time to be established by the commission.

PariPool 525.03(c) Information to be Kept Confidential

The licensee shall keep confidential, except from authorized governmental agencies,:

- (A) the amount of money credited to, debited from, withdrawn from, or present in any particular account holder's account,
- (B) the amount of money wagered by a particular account holder on any race or series of races,
- (C) the account number and secure personal identification code of a particular account holder,
- (D) the identities of particular entries on which the account holder is wagering or has wagered,
- (E) unless otherwise authorized by the account holder, the name, address, and other information in the possession of the licensee that would identify the account holder to anyone other than the commission or the licensee.

PariPool 525.03(d) Suspension, revocation and fines.

Permission to conduct an account wagering system may be suspended or revoked if the Commission determines that the licensee or its employees or agents has violated these rules.

PariPool 525.04 RESTRICTED ACCOUNT FOR ACCOUNT WAGERING

PariPool 525.04(a). Purpose of Restricted Account.

Each licensee shall establish and maintain a restricted account and an accounting system for the benefit and protection of patrons who participate in account wagering with the licensee.

PariPool 525.04(b) Restricted Account Requirements.

- (1) Each licensee which establishes account wagering shall establish and maintain a separate restricted account with a financial institution licensed to conduct business in the State of New Hampshire and with an office within the state of New Hampshire. By January 31, 2009, the licensee shall submit to the Commission the name of the financial institution and the restricted account number. The Commission may request additional information or statements for the restricted account at any time. The licensee shall submit to the Commission a monthly bank statement by the 15th day of each month.
- (2) Starting on February 1, 2009, the amount placed in the restricted account established in PariPool 525.04(b)(1) shall be an amount equal to the total account wagering monies held by all account holders including amounts owed for winning wagers which have not yet been settled. This amount shall be calculated on February 1, 2009. The licensee shall provide the Commission with all data used to calculate the restricted account amount and a bank statement showing the balance in the restricted account.

- (3) The licensee shall calculate and submit to the Commission a written report of the actual account balance on the last day of the month of the total account wagering monies held by all account holders including amounts owed for winning wagers which have not yet been settled. The licensee shall provide the Commission with the report and all data used to calculate the monthly average within 5 days of the end of the month for which the balance is determined. The first report shall cover February 1, 2009 through February 28, 2009 and be submitted before March 5, 2009.
- (4) Beginning on March 1, 2009, the licensee shall also calculate and submit to the Commission a report of the rolling monthly account balance average for the previous 12 months (beginning on February 1, 2009), or the number of months available, of the total account wagering monies held by all account holders including amounts owed for winning wagers which have not yet been settled. The licensee shall provide the Commission with this rolling average as part of the monthly report and all data used to calculate the monthly average within 5 days of the end of the month for which the average is calculated.
- (5) The Commission may require that the licensee change the amount in the restricted account based on the monthly average reports received from the licensee. The licensee may submit a written request to the Commission to change the amount in the restricted account.
- (6) The restricted account described in PariPool 525.04(b)(1) must reasonably protect the patrons against claims of the licensee's creditors other than the patrons for

whose benefit and protection the restricted account is established and must provide that:

- (a) The restricted account is established and held for the sole benefit and protection of patrons to the extent the licensee holds money for their account, has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers.
 - (b) The licensee's interest in and title to the restricted account is expressly subject to the security interest and claims of patrons of account wagering as provided in PariPool 525.04(c).
 - (c) New Hampshire law and this section govern the agreements and the licensee's interest in the restricted account.
 - (d) The restricted account and accounting system are not effective until the Commission's acceptance has been obtained pursuant to PariPool 525.04(b)(7).
- (7) Each licensee shall submit to the Commission all information and copies of all documents relating to its proposed restricted account and accounting system. The Commission shall determine whether the arrangement satisfies the purposes and requirements of this section, may require appropriate changes or withhold acceptance if they do not, and shall notify the licensee of the determination. No restricted account or accounting procedures accepted by the Commission shall be altered, changed, or amended without the prior approval of the Commission.
- (6) The licensee shall maintain accurate records of the handling, maintenance and disposition of all account wagering funds.

- (7) The bank statements and written reports required by Pari 525.04(b)(1), (b)(3) and (b)(4) as applicable may be filed electronically with the Commission by transmitting the report to the attention of the director of the Commission.
- (8) When a licensee ceases operating and its license lapses, is surrendered or is revoked, the Commission may demand payment of the restricted account. The Commission may interplead the funds in state superior court for distribution to the patrons for whose protection and benefit the restricted account was established and to such other persons as the court determines are entitled thereto, or shall take such other steps as are necessary to effect the proper distribution of the funds, or may do both.
- (9) The Commission shall have the right to enforce these rules in accordance with the laws of the State of New Hampshire, including seeking injunctive relief before the Merrimack County Superior Court.
- (10) The licensee shall not withdraw any funds from the restricted account without an order from the Commission.

PariPool 525.04(c). Security for Patrons.

- (1) All funds held in the restricted accounts for account wagering as authorized by the Commission shall serve as security for the patrons who participate in account wagering. A licensee's property interest in the restricted account established by this rule is expressly subject to the security interest and claims of patrons of account wagering.

PariPool 525.04(d). Patron Accounts; Settlement of Winnings.

- (1) A licensee which provides its patrons with account wagering shall deposit all winnings into patrons accounts within 48 hours after settlement of the race on which wagers are placed and the determination of the appropriateness of such wagers and distribution of the pool. Settlement shall occur within 40 days after the race or races on which the wagers have been placed have occurred.

Notwithstanding the foregoing, if an account wager is made on a race conducted live at the licensee's facility, settlement shall occur upon the determination that the race has become official.
- (2) In the event that settlement cannot occur within 40 days after the race was conducted, a licensee shall notify the Commission in writing at least 5 days prior to expiration of the 40 day period that settlement has not occurred such written notice shall specify the reasons that settlement cannot occur within the 40 day period set forth in this rule. The licensee shall also identify all patrons by name and last known address and telephone who are affected by this notice. The Commission may hold a hearing to determine whether to require the licensee to deposit winnings into a patron's account in the absence of such settlement. In such event, the Commission shall hold a hearing and provide written or telephonic notice of such hearing to the licensee and all patrons affected.
- (3) In the absence of notification as required in subsection (b), or in the event of a determination by the Commission that the licensee must deposit winnings into patrons' accounts notwithstanding the fact that settlement has not occurred, the licensee shall deposit all winnings into the patrons' account.

PariPool 525.04(e) Prohibited Activities.

- (1) Batch wagering. A licensee who is authorized to conduct account wagering by the Commission under these rules shall institute systems, mechanisms and procedures to prohibit batch wagering in account wager. For purposes of this rule, batch wagering is grouping more than one wager with a single command and all of the wagers that were in the batch are made at one time through the computer terminal and batch program. Batch wagers do not include boxes and wheels commonly wagered on track or through telephone and internet wagering systems. A licensee shall provide the Commission with a written statement setting forth a description of the systems, mechanisms, and procedures to avoid batch betting. Such statement may contain proprietary information and shall be deemed confidential and shall not be disclosed in the absence of a final court order issued by a court of competent jurisdiction.
- (2) Set offs against winnings. No party to an agreement to allow for simulcast wagering shall have the right to set off against winnings due patrons who place wagers on simulcast races any amounts due to any party to such simulcast agreement.
- (3) Extension of credit prohibited. No licensee shall extend credit for the purpose of allowing a patron to wager where the patron's account balance is zero or less.