



Andy Beshear
Governor

Public Protection Cabinet
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511
Telephone: (859) 246-2040
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Ray A. Perry
Secretary

Marc Guilfoil
Executive Director

Jonathan Rabinowitz
Chairman

September 9, 2021

Sportech Chief Legal Officer Richard Pingel
Sportech Treasurer/Manager James Birney
Sportech Racing, LLC
600 Long Wharf Drive
New Haven, CT 06511
Rich.Pingel@Sportech.net
James.Birney@Sportech.net

Cc: Betmakers US, Inc.
Attn: William Pascrell, General Counsel and Head of Regulatory Affairs
22 Lanbton Rd.
Broadmeadow NSW 2292 Australia
William.Pascrell@Betmakers.com

Re: Notice of Administrative Fine

Via Electronic and U.S. Mail

Dear Mr. Pingel and Mr. Birney:

The Kentucky Horse Racing Commission ("KHRC") has determined that Sportech Racing, LLC ("Sportech") has failed to produce reports requested by the Kentucky Horse Racing Commission, and has further failed to comply with a written directive of the Commission. Consequently, the Commission issues this notice of administrative penalty and fine.

810 KAR 3:030 Section 5(E)(2) requires totalizator licensees to operate in conformity with the Totalizator Standards set forth in 3-030-03, and available at: https://khrc.ky.gov/Documents/KHRC_Totalizator%20Standards.pdf. Totalizator Standards Section 5(E)(2) requires all totalizator systems to "produce a special report that filters data by performance, race, pool betting interest, wagering device, site, or any combination thereof" to the KHRC upon request.

On August 17, 2021, KHRC Pari-Mutuel Wagering Director Waqas Ahmed wrote a letter to Richard Pingel, Sportech's Chief Legal Officer, as well as William Pascrell, the General Counsel and Head of Regulatory Affairs for Sportech's parent company, Betmakers US, Inc. Mr. Ahmed directed Sportech to produce, on or before August 27, 2021, a daily special report. Mr. Ahmed advised Sportech that its employees could submit questions on or before 4:30 p.m. EST on August 19, 2021. Mr. Ahmed warned that failure to comply would be considered a violation of a Commission directive under KRS 230.260(11).



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Mr. Ahmed received no response. After the deadline passed, Mr. Ahmed followed up with Mr. Pingel and Mr. Pascrell.

On September 1, 2021, Mr. Pingel confirmed that the reports would be produced no later than September 3, 2021, at 5:00 p.m. On September 3, 2021, at 4:28 p.m., Sportech provided reports from June 1, 2021 to September 2, 2021; however, the data provided was deficient. In particular, the following fields were not produced at all:

KHRC Request	Sportech Produced
Off Track Handle From – Ellis Park on Source Track	NONE
Off Track Handle From – Churchill Downs on Source Track	NONE
Off Track Handle From – Keeneland on Source Track	NONE
Off Track Handle From – Kentucky Downs on Source Track	NONE
Off Track Handle From – Red Mile on Source Track	NONE
Off Track Handle From – Oak Grove on Source Track	NONE
Off Track Handle From – Turfway Park on Source Track	NONE
Off Track Handle From – TwinSpires on Source Track	NONE
Off Track Handle From – TVG on Source Track	NONE
Off Track Handle From – eBet on Source Track	NONE
Off Track Handle From – AmWest on Source Track	NONE
Off Track Handle From – Lien Games on Source Track	NONE
Off Track Handle From – Xpressbet on Source Track	NONE
Off Track Handle From – Watch and Wager on Source Track	NONE
Off Track Handle From – NYRABets on Source Track	NONE
Simulcast Thoroughbred Handle at Simulcast Facility of Source Track	NONE
Simulcast Standardbred Handle at Simulcast Facility of Source Track	NONE
Simulcast Quarter/Arabian/Other Breeds Handle at Simulcast Facility of Source Track	NONE
Certification Statement Confirming the Accuracy of the Data Provided in Each Report	NONE



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Subsequently, on September 9, 2021, Sportech produced additional reports from September 1, 2021 to September 8, 2021. The data provided was still deficient. In particular, the following fields were not produced at all:

KHRC Request	Sportech Produced
Simulcast Thoroughbred Handle at Simulcast Facility of Source Track	NONE
Simulcast Standardbred Handle at Simulcast Facility of Source Track	NONE
Simulcast Quarter/Arabian/Other Breeds Handle at Simulcast Facility of Source Track	NONE

Sportech has violated 810 KAR 3:030 Section 7(3) by failing to submit daily special reports, 810 KAR 3:030; KHRC 3-030-3 Section 5(E)(3). Additionally, Sportech has failed to comply with a written directive of the Commission. Pursuant to 810 KAR 8:030 Sections 2(1) and 10(1)(d), as well as KRS 230.260(11), the Commission hereby assesses a fine upon Sportech in the amount of \$1,000.00 per day, beginning on Saturday, September 4, 2021, for each day that Sportech continues to operate without providing the KHRC with complete and certified End-of-Day Reports.

At this time, the KHRC has no evidence that any patron or association has suffered a monetary loss as a result of this regulatory violation. However, the KHRC continues to review this matter to determine if there are any other regulatory deficiencies. If the KHRC determines that patrons are wagering on the Sportech system to their detriment, or if any other regulatory deficiencies are discovered, the KHRC may impose additional penalties, up to and including a directive to cease operation of the system.

If you wish to appeal this fine, you may request a KRS 13B hearing pursuant to 810 KAR 8:030 Section 2(1) and 810 KAR 9:010.

Very truly yours,

Marc A. Guilfoil
KHRC Executive Director