FANTASY SPORTS With Grag Genignani	
FANTASY SPORTS Hot Issue	
FANTASY SPORTS How it works	













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FANTASY SPORTS	
Video That May explain it in a bit more interesting way:	
https://youtu.be/4Pm2pkxbYYU	
(light in the description below)	
(link in the description below)	
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FANTASY SPORTS	
Fantasy Sports The fantasy sports industry points to the UIGEA as proof that the	
federal government made the activity legal.	
The fantasy sports industry also identifies skill as the element that separates fantasy sports from games of chance.	
 Over the course of a season, the rotation of players and 	
trading of players will have a greater influence on the outcome of the contest than the performance or non-performance of any	
athlete in a particular event.	-
FANTASY SPORTS	
Fantasy Sports	
·UIGEA	
 Exempts fantasy sports contests with certain attributes from the definition of a bet under the act. 	
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THE UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT What are the parameters for the fantasy sports exemption? • Pet or Wager (E) does not include... • (I) All Writing outcomes of an analyse of professional great or content is based on the current enterthing of an analyse of professional great or content is based on the current enterthing of an analysis to fession of entariation is post that is a member of an analyse or professional sports organization fest those membership of an analysis of fession of enterthing of an analysis of fession of the sport of the current enterthing of an analysis of fession of the sport of the sp

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Fantasy Sports	FanDuel on an account pricery contacts (April 1 territoria)
· UIGEA	In 2009 the federal government passed a law called the Unlawful Internet Gaming Enforcement Act which was designed to prevent genefoling over the Internet. The law included a carve out that clarified the legality of fur-fixely sports. Specifically, it is emptited.
	"participation in any flortesy or simulation sports game or educational game or context in which if the game or context involves a lease or trained in o familiary or airvulation floars is based on the current inventionally of an actual trainer that is a member of an airvulation floar or professional sports organisation and meets the following conditions:
	 All primes and awards offered to winning participants are established and made known to the participants in advance of the game or contest and their value is not determined by the number of participants or the amount of any like past by participants.
	2. At average outcomes whete the waters including set of all of the purposage and are determined predictionizing by accommission design of the optimization of which design before and region around; in making in make world sporting or other wents. 3. The viewing outcomes because 0. The second, porting streams, or any portinenance or participation was only combination of a factor bearing or 3. Deals you may any play performance or any region was word to them or any combination of a factor bearing or 3. Deals you may any play performance or an include at effects in any reals word of scort or or other over.
	air resolute annes in any angin are event aporting or other levers. Daily office great general feet of the times good in sharing only stated to appear in the last couple of years. Major retworks such as MIDC, Compast and Fox have launched their own versions of daily draft terrating sporting press.
	FerrOut takes the legal status of the games it offers very serously and does its utmost to ensure compliance with existing state and federal laws. For more information please refer to our terms. If you have any further
	concerns about the legality of our games please do get in touch. FireCoult is a remoter of the Funtary Sports Trace Association and a patrier of STATS LLC who provides our real firms accost statistics.

What is the rule of construction? 31 U.S.C. 5361(b) Rule of construction.—No provision of this subchapter shall be construed as altering, limiting, or extending any Federal or State law or Tribal-State compact prohibiting, permitting, or regulating gambling within the United States.

DAILY FANTASY SPORTS

Fantasy Sports

- Season long fantasy sports have been around for decades.
- However, they have not been very profitable as businesses because most of the revenue is earned before the season, then expenses occur throughout the season.
- The solution for increased revenue is Daily or Weekly Fantasy Sports.
 - Revenue or income can now be earned daily or weekly by operators.

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DAILY FANTASY SPORTS

Fantasy Sports

- Daily claims that the games are still determined by management skill, even though the only task is player selection (or draft).
- The goal of daily fantasy sports (DFS) is to increase the velocity of the games by simplifying and increasing the opportunity to spend money to play.

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DAILY FANTASY SPORTS

- In 2015, the DFS industry became a significant multi-billion dollar
- Advertising for DFS during sporting events in 2015 eclipsed advertising for beer during sporting events.
 However... With great publicity comes great interest, including interest from gaming regulatory authorities and law enforcement.

DAILY FANTASY SPORTS

• THE NEVADA OPINION

DAILY FANTASY SPORTS

- THE NEVADA OPINION
- · Analyzes daily fantasy sports

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PASPA

Sec. 3702. Unlawful sports gambling It shall be unlawful for (1) a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact, or
(2) a person to sponsor, operate, advertise, or promote, pursuant to the law or compact of a governmental entity, a lottery, sweepstakes, or that betting gambling, or wagering scheme based, directly or indirectly (through the use of geographical references or otherwise), on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.



DAILY FANTASY SPORTS	
• THE NEVADA OPINION	
Is it sports wagering?	
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DAILY FANTASY SPORTS	
THE NEVADA OPINION Is it skill gaming?	
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DAILY FANTASY SPORTS	
THE NEVADA OPINION Is it a percentage game?	
· is it a percentage game:	
	
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DAILY FANTASY SPORTS	,	
THE NEVADA OPINION Are DFS contests legal in Nevada?		
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DAILY FANTASY SPORTS		
THE NEVADA OPINION What is required to obtain a sports pool license?		
What is required to obtain a sports poor neerise:		
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DAILY FANTASY SPORTS		
THE NEVADA OPINION What is required to obtain a sports pool license?		
What is required to obtain a sports pool license? NRS 48.160 License required; unlawful to permit certain gaming activities to be conducted without license; exceptions: separate licenser required for each location where operation of zero book or upon top outdeted. Because required for each location where operation with others: In the subset of the consecution with others: (a) To dod, operat, carry on, conduct, maintain or expose for play in the State of Nevada my gambling game, gaming device, inter-casino linked yours, mobile gaming system, lot machine, nee book or posts pool; (b) To grove the or maintain any indemnation service.		
for hire or not, either solely or in conjunction with others: (a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, inter-casino		
unaca умени, наочие gaining умени, зно паснис, пасе воок от sports pool; (b) To provide or maintain any information service; (c) To operate a gaming salon;		
(c) To operate a garning subset; (d) To receive, directly or infloredly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or enrying on any gambling game, slot machine, garning device, mobile garning system, race book or sports posi;		
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DAILY FANTASY SPORTS
THE NEVADA OPINION What is provided to obtain a quarte need license?
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whither by a transaction in person all an orbibilishment or through mechanical means such as a knosk or other sensite decore, regardies of whether that device would otherwise be considered associated equipment.
DAILY FANTASY SPORTS
Media Attention Follows
DAILY FANTASY SPORTS
DFS attracted significant attention.
Di Sattracteu Significant attention.
Please watch the following videos, they are far more entertaining
than this lecture:
Scott Van Pelt (ESPN) - https://youtu.be/cEphiJlm-9k (3 Min)
John Oliver - https://youtu.be/Mq785nJ0FXQ (20 min)
Daily Show -https://youtu.be/QX6vey8b-1w (4 min)





FEDERAL WIRE ACT

18 USC §1084
 (a) Whoever being engaged in the business of betting or wagering knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

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• 18 USC §1084

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DAILY FANTASY SPORTS

- THE NEW YORK ACTION
- The NY AG issued a cease and desist letter to Draft Kings and FanDuel.
- Draft Kings and FanDuel filed for declaratory relief to prevent the AG from acting against them and they filed a TRO for the
- The court in NY denied the TRO motion.
- The AG filed for a preliminary injunction in response.

DAILY FANTASY SPORTS

- THE NEW YORK ACTION
- The parties entered into a tentative settlement agreement pending legislative action.
- The NY Legislature enacted a licensing regime for DFS as a skill game

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- An activist group sued the Governor of New York on the grounds that approving fantasy sports was an expansion of gaming, which is prohibited under the NY State Constitution
 The Supreme Court (court of initial jurisdiction) agreed.
 The Appellate Court agreed.
 The Highest State Court disagreed stating that the legislature was reasonable in defining DFS as a skill game and thus not gambling as other states had done the same.

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TEXAS OPINION

- The Texas Attorney General reviewed the following:
 You ask for an opinion on two questions involving fantasy sports leagues. Specifically, you ask whether

 1. [djaily fantasy sports leagues such as DraftKings.com and FanDuel.com are permissible under Texas law, and

 2. [whether i]t is legal to participate in fantasy sports leagues where the house does not take a "rake" and the participants 0nly wager amongst themselves.

TEXAS OPINION

		N	

- Are DFS Games Skill Games?

 It is beyond reasonable dispute that daily fantasy leagues involve an element of chance regarding how a selected player will perform on game day. The participant's skill in selecting a particular player for his team has no impact on the performance of the player or the outcome of the game. In any given week?

 a selected player may become injured or be elected and not play in all or a portion of the performance of the player of the outcome of the player shall be provided the player of the control of the player shall be provided to the players are quarterback in one half or a batter charging the mound after getting hit by a pitch and getting corrected and then ejected

 a selected player may perform well or perform poorly against the opponent that week, perhaps due to weather condition-such as a defensive tackle diving on a football after a blocked field goal attempt, only to allow the other team to recover the ball and score the games-winning touchdown

 a selected player's performance may be impacted by the state of the game equipment (say, the underinflation of a football or the presence of cotte is the game equipment (say, the underinflation of a football or the presence of cotte is the game equipment (say, the underinflation of a football or the presence of cotte is the game ball ball of the state of the game equipment (say, the underinflation of a football or the presence of cotte is the game and be carried off the court);

 a selected player's performance may be impacted by a call of refereeling officials such as a catch that all individuals not wearing stripse believe to constitute a touchdown being ruled an incompletion with instant replay.

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TEXAS OPINION

- Are DFS Games Skill Games?
 The list goes on. All of these random circumstances, especially if they occur after the participants' selections are locked in, amount to chance and do not involve any skill on the part of the participant. Chance happens, especially on game day. "That's why they play the game." Based on the facts you ask us to assume, the argument that skill so predominates that chance is minimal is nonetheless an admission that chance is an element and partial chance is involved. Accordingly, odds are favorable that a court would conclude that participation in daily fantasy sports leagues is illegal gambling under section 47.02 of the Penal Code

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TEXAS OPINION

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Are DFS Exempted Bona-fide Contests of Skill?

We noted that the Practice Commentary to the statute indicated the actual-contestant exclusion "is intended to exclude only awards and compensation earned by direct participation in the contest-the pole-vaulter's cup, the pro football player's salary-not the receipt of a wager made on its outcome. "We concluded that, although the "exclusion may embrace athletes actually competing in the sporting events you refer to, it does not embrace those who pay entry fees for a chance to win a prize from forecasting the outcome of the events." 33 Moreover, the other types of contests in the actual-contestant exclusion (speed, strength, or endurance or to the owners of animals, vehicles, watercraft, or aircraft) inform the nature of what the Legislature means with the term "skill." Following this office's 1994 opinion, the Illinois Attorney General recently concluded that Illinois's similar statutory actual-contestant exclusion does not apply to participants of daily fantasy sports leagues.

TEXAS OPINION

- Are DFS Exempted Bona-fide Contests of Skill?

 Subsection 47.0I(I)(B) [the bona-fide contest of skill exemption], and our interpretation of it, remains unchanged. For example, if a person plays in a golf tournament for an opportunity to win a prize, he or she is within the actual contestant exclusion to the definition of betting. If instead the person does not play in that tournament but wagers on the performance of an actual contestant, he or she is gambling under Texas law. To read the actual-contestant exception as some suggest would have that exception swallow the rule.

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TEXAS OPINION

- Result

 Fan Duel exits the Texas market

 Draft Kings stays in the Texas market and files a declaratory relief action...

FAN DUEL LETTER

- Background
 Texas AG issues an opinion that DFS is illegal gambling in Texas
 Texas AG agrees not to prosecute Fan Duel if it ceases operation and notifies law enforcement before it offers DFS to Texas residents
 Fan Duel pulls out
 Draft Kings does not pull out of Texas, but rather sues the State of Texas and court proceedings will commence in due course
 Fan Duel sees Texas as a big market that its rival is monopolizing
 Fan Duel re-enters the Texas market

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FAN DUEL LETTER

- · The Letter
- No claim that DFS is legal, to the contrary they agree to refrain from stating that such wagering is legal to avoid deceptive trade practice risks.

 In connection with re-entering, however, FanDuel Group intends to adhere to

Refraining from any physical in-state direct marketing of FanDuel, and any intentional marketing directed to Texas residents that makes claims about the legality of paid contests in Texas; and

Providing disclaimers in its Terms of Use and marketing materials that state:
 FamDuel makes no representation that participation in paid entry fantasy sports contests is lawful under Texas state law.

FanDuel Group further intends to refrain from seeking any widespread press or publicity concerning its Texas activities, other than on its own sites, apps, or social media feeds. ¹

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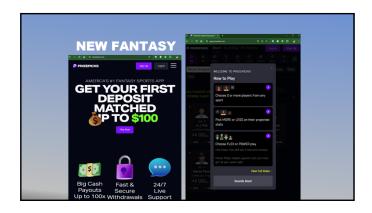
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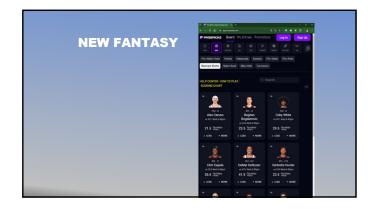
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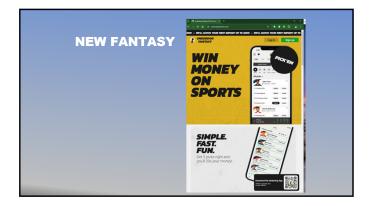
ILLINOIS STATUTES	
(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by mass of the Internet or to make a waper upon the result of any game contest, and the state of the state	
(b) When the any of the following scivities shall not be convicted of gambling: (1) Appearant to comparants for fore scarced by the imperatory of them including without institution contracts of indemnity or guaranty and life or health or accident insurance. (2) Offers of prises, sward or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or valicles entered in such contest. (3) Fari-mutual betting as authorized by the law of this State. — Liconnead activities	
animals or wehicles entered in such contest. 3. Pari-mutual betting as authorized by the law of this State. 4. Licensed activities	
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BECKER V. WU	

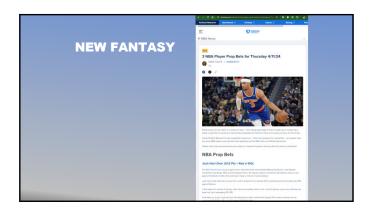
BECKER V. WU	_
Is either party maintaining or operating on online game?	_
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QUESTIONS/DISCUSSION	
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