



December 29, 2021

To Ms. Wendy Harns and the Michigan Gaming Control Board,

I am contacting you on behalf of the Fantasy Football Players Championship (FFPC). The FFPC is a privately owned, small business season-long fantasy football operator that has been in business since 2008. The FFPC is currently licensed and operating in New York, Colorado, Maryland, Arkansas, New Jersey, New Hampshire, Pennsylvania, Virginia, Missouri, Alabama, Ohio, and Maine. We also have an application under review in Tennessee. We are currently legally operating in Michigan as a season-long fantasy football operator, reporting and paying our monthly taxes.

The FFPC has operated season-long fantasy football leagues legally in the state of Michigan since our inception in 2008, giving fantasy players in the state the chance to play their favorite hobby in competitive formats. We look forward to continuing operating in Michigan for years to come.

After examining the Board's proposed fantasy contest rules, there are several areas of concern in which our company would very much appreciate the Board's clarification or assistance.

Firstly, Rule 522 states –

Rule 522. (1) The following licenses may be issued under the act and these rules: (a) Fantasy contest operator license. (b) Management company license. (2) Except as otherwise provided in sections 3(2) to 3(4) of the act, MCL 432.503, a person must hold a fantasy contest operator license before offering fantasy contests in this state. (3) A person retained by a fantasy contest operator to manage the day-to-day fantasy contest operations of the fantasy contest operator must hold a management company license. (4) A person must hold a management company license before managing the day-to-day fantasy contest operations of a fantasy contest operator.

The FFPC is very much concerned regarding this specific subsection and would appreciate clarification - *(3) A person retained by a fantasy contest operator to manage the day-to-day fantasy contest operations of the fantasy contest operator must hold a management company license.*

The FFPC is a small business with just a handful of full-time employees, all wearing many hats in the company. We do not have any management companies or any third-party assistance in this regard. We just want to clarify that none of the full-time FFPC workers would need to file a management company license application and that we would not be liable for Management Company licensing fees, since we control and operate the company on our own behalf. This



would most certainly be a unique and fiscally burdensome request if an FFPC employee was expected to file as a Management Company licensee, as the fees associated with the license would double our license fees annually, and the request would not seem to make much logical sense, as the employee is part of the FFPC and not an outside management company.

We kindly ask that the Board clarify this requirement to ensure that small operators without any contracted third-party management companies will not need to apply for a management company license.

Secondly, Rule 531 states –

(3) Unless otherwise approved by the board, a fantasy contest operator or licensed management company may not offer or allow any of the following: (a) Any means of fantasy contest team selection or assembly that does not involve the knowledge and skill of a fantasy contest player, including, but not limited to, all of the following: (i) Auto draft functionality, except in the case of a fantasy contest in which a fantasy contest player is required to exert knowledge and skill to assemble 1 or more fantasy contest teams from his or her pool of drafted athletes.

In the FFPC's communications with gaming commissions of states in which we are licensed, the intent of the term "Auto draft" has always been initially misconstrued and later recognized that it does not apply to season-long fantasy contests. Auto draft functionality in daily fantasy contests can lead to the fantasy contest software randomly selecting a team without any user input at all. However, auto draft functionality in Season-long fantasy contests allow users to set personal player rankings and player queues for the fantasy contest software to select exactly the player the user wants to select when it is their turn in the draft. It is an essential and necessary part of season-long leagues as it is used as an efficiency tool to ensure the best user experience for all users in each draft.

We kindly ask that the Board clarify an exemption of this rule for season-long fantasy football operators.

Thirdly, Rule 532e states -

Rule 532e. (1) A fantasy contest player is prohibited from using any script other than an authorized script to create fantasy contest entries or enter or participate in fantasy contests. (2) A fantasy contest operator or licensed management company must not allow and must use commercially reasonable efforts to monitor for and prevent the use of any scripts other than authorized scripts. (3) An authorized script must be clearly and conspicuously published and made readily available to all fantasy contest players on the fantasy contest operator's or licensed management company's fantasy contest platform. (4) A fantasy contest operator or licensed management company may elect not to provide authorized scripts and may prohibit all scripts.

FFPC: Fantasy Football Players Championship
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The FFPC wants the Board to know that while scripts are of concern in DFS leagues, they hold no concern at all in season-long fantasy leagues, specifically snake drafts, as there is nothing a script can do to help or assist a user. Like I previously mentioned, the FFPC offers snake drafts, no salary cap, only one NFL player can be drafted per league, etc. There is no reason for a user to use a script and there is no advantage in attempting to use a script.

Lastly, Rule 534 states –

(1) A fantasy contest operator or licensed management company must comply with all provisions of the bank secrecy act of 1970, 31 USC 5311 to 5332, that are applicable to the fantasy contest operator's or licensed management company's fantasy contest operations.

The FFPC kindly asks that Bank Secrecy Act language be removed from the rules as it is not in line with the industry standard for fantasy operators.

The FFPC would like to thank you for your time and consideration and we look forward to the next steps in the rulemaking process.

Please reach out to us with any questions or comments, as we would be happy to assist to the best of our ability.

Thank you,

Michael Petropoulos
FFPC Compliance Officer
Mike@myffpc.com
(212) 929-3372



Members of the Michigan Gaming Control Board:

In response to the Fantasy Contests draft rules published on November 23, 2021, Bally's Corporation respectfully requests the following provision is removed from the draft rule set before sending the Joint Committee on Administrative Rules:

Under *Part 3: Conduct of Fantasy Contests, Rule 531, subsection 3(b)* "Proposition selection or fantasy contests that have the effect of mimicking proposition selection." This language was seemingly pulled directly from a rule set in the state of Ohio that was a result of that specific language being contained in that state's statutory definitions of fantasy contests. Here in the state of Michigan, the legislature did not include such language, even though it was well known to have passed in Ohio at the time Michigan was debating the final passage of the state's gaming laws.

It is our belief that this language is made wholly unnecessary given the differences in approaches to gaming between the states of Ohio and Michigan. Given the fact that as a state Michigan has decided to legalize those forms of betting, we do not see the need to outlaw a fantasy game that resembles them. While it is clear that daily fantasy contests should not be permitted to mimic a wager on the outcome of a sporting match or game, daily fantasy sports in its essence are a form of gaming based on individual athletes' statistical output in a given contest. Thus, a fantasy contest based on the statistics of individual players should be permitted.

We also believe that leaving in this provision would go against the ultimate goal of passing this legislation: the mainstreaming and permitting of market access to good actors in the gaming space. Without the removal of this language, the Michigan Gaming Control Board would severely limit Bally's ability to operate in this state, further consolidating market share amongst only the largest fantasy sports operators.

We appreciate your attention to this matter and look forward to working together toward an amicable compromise.

Regards,

Elizabeth Suever
Vice President, Government Relations
Bally's Corporation



Cory Fox
cory.fox@fanduel.com

January 6, 2022

Via Email to MGCB-Rules@michigan.gov

Wendy Harns
Michigan Gaming Control Board
P.O. Box 30786
Lansing, MI 48909

Re: FanDuel Comments on “Proposed Changes to the Fantasy Contests rule set”

Dear Ms. Harns:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Michigan Gaming Control Board’s (“Board”) “Proposed Changes to the Fantasy Contests rule set” (“Proposed Regulations”). Based on our extensive experience as a leading operator in the fantasy sports industry and collaborator with regulators of fantasy contests in many states in the development of their regulations, we offer constructive feedback on ways in which the Proposed Regulations can be improved for effectiveness and consistency with other state regulations.

FanDuel currently operates online fantasy sports contests in forty-three (43) states. We appreciate the opportunity to share our perspective on sports betting regulation with you and have arranged our comments in two parts. Part I is focused on issues of concern in the Proposed Regulations that may significantly impact the ability of fantasy sports operators to successfully operate in Michigan. Part II is focused on requests for clarification.

All changes will be shown as follows: proposed additional text will be bolded and underlined and all text to be deleted will be bolded, bracketed, and struck through.

Part I – Operational Concerns.

- ***Issue 1 – Bank Secrecy Act compliance.***

Rule 534 requires fantasy contest operators and licensed management companies to comply with “all provisions of the bank secrecy act of 1970, 31 USC 5311 to 5332, that are applicable to the fantasy contest operator’s or licensed management company’s fantasy contest operations.” Since, fantasy sports contests are not regulated under the federal Bank Secrecy Act, this rule is unnecessary and should be removed in its entirety. Additionally, it is not industry standard practice in most states to require compliance with the Bank Secrecy Act for fantasy contest operators.

- ***Issue 2 – Requirement to provide information on the order in which funds are used for entry fees.***

Section R432.537(2)(c)(v) requires fantasy contest operators and licensed management companies to provide information on “the order in which funds are used for entry fees” within the terms of all bonus and promotional offers. We do not believe this requirement is necessary for fantasy contests and suggest it be removed. To address this concern, we suggest the following edits:

R432.537(2)(c):

“(c) Bonus and promotional offer terms and the record of all offers must include all of the following, at a minimum:

- (i) The date and time the offer is active and expires.
- (ii) Fantasy contest player eligibility requirements, including any limitations on participation.
- (iii) Any restriction on withdrawals of funds.
- (iv) Entry fee requirements and limitations by fantasy contest type.
- (v) ~~["The order in which funds are used for entry fees.~~
- ~~(vi)]~~ Eligible fantasy contests.
- (vi)~~]~~ Rules regarding cancellation.”

- ***Issue 3 - Notification of changes to terms and conditions.***

Section R432.542(2) of the Proposed Regulations requires fantasy contests operators and licensed management companies to acknowledge, with a date and time stamp, any changes to the player account terms and conditions. We suggest that account terms and conditions should be published and available for customer review and that customers should be notified of any changes, but that requiring time stamped acknowledgement is not necessary. To address this concern, we suggest the following edits:

R432.542(2):

“(2) If the fantasy contest player account terms and conditions are changed, the fantasy contest operator or licensed management company shall **[require]** notify the fantasy contest player **[to acknowledge acceptance]** of the change. ~~["Unless otherwise authorized by the board, the fantasy contest player’s acknowledgement must be date and time stamped.”]~~”

- ***Issue 4 – Requirements to block and suspend accounts for failed ACH attempts.***

Rule 432.544b requires fantasy contest operators and licensed management companies to temporarily block a fantasy contest player’s account after 5 consecutive failed ACH deposit attempts within a 10-minute period and suspend the account after 5 additional consecutive failed ACH deposit attempts within a 10-minute period. FanDuel takes fraud prevention and anti-money laundering very seriously and works diligently to prevent it. However, the best approach to address

this issue in relation to fantasy contests may change over time and as such, we suggest the following edits to the rule to allow for that flexibility, while still ensuring the Board has the final say in approving our process:

R 432.544b:

“A failed ACH deposit attempt is not considered fraudulent if the fantasy contest player has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the fantasy contest operator or licensed management company shall **have a process, approved by the board, to address multiple failed ACH deposits** ~~[do all of the following:~~

(a) ~~Temporarily block the fantasy contest player’s fantasy contest player account for investigation of fraud after 5 consecutive failed ACH deposit attempts within a 10-minute period. If there is no evidence of fraud, the block may be vacated.~~

(b) ~~Suspend the fantasy contest player’s fantasy contest player account after 5 additional consecutive failed ACH deposit attempts within a 10-minute period.]”~~

Part II – Requests for clarification.

- *Issue 1 - Request clarification that additional self-limits and notifications are optional.*

Section R432.532d(5) provides a listing of additional self-limits or notifications that “may” be offered by a fantasy contest operator or licensed management company. Can the Board confirm that fantasy contest operators and licensed management companies may offer all, some, or none of the listed additional self-limits and notifications?

- *Issue 2 - Request clarification that self-restriction refund of entry fees only applies to contests that have not yet locked.*

Section R432.532h(2)(b) provides that if an individual who self-restricts has pending entries at the time of self-restriction, those pending entries must be cancelled and the entry fees refunded to the individual. Can the Board confirm that “pending entry” means an entry in a fantasy contest that has not yet locked?

- *Issue 3 - Request clarification on record retention for promotions.*

Rule R432.537 provides for the rules for offering tournaments, bonuses, and promotions. Among the provisions of this rule are record retention requirements for promotions. Can the Board confirm that if a fantasy contest operator or licensed management company has a promotion whereby, they perform intermittent cash drops to customers throughout the year, that this can be treated as a single promotion for purposes of this rule?



We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cory Fox', written in a cursive style.

Cory Fox
Government Affairs and Product Counsel Vice President



January 6, 2022

VIA E-MAIL

Michigan Gaming Control Board
Attn: Wendy Harns
3062 West Grand Boulevard, Suite L-700
Detroit, MI 48202-6062
MGCB-Rules@michigan.gov

Subject: Yahoo's Comments on the Gaming Control Board's Draft Rules for Fantasy Contests

Dear Ms. Harns:

On behalf of Yahoo Fantasy Sports LLC, thank you for the opportunity to submit comments on the Michigan Gaming Control Board's Draft Rules for Fantasy Contests ("Proposed Rules"). Yahoo submits the following comments for the Board's consideration regarding the Proposed Rules.

1. Definition of Key Person

Rule Reference: 432.511(w)(v) to (vii)

The Proposed Rules suggest a Key Person includes an affiliate of the applicant, a director of an affiliate of the applicant, and a managerial employee of an affiliate of the applicant. However, the Fantasy Contest Consumer Protection Act only uses the definition of a key employee as "an employee of the fantasy contest operator" and does not include language regarding key persons or employees of affiliate organizations. The Act and the Proposed Rules state an applicant has complied with the requirement if it has identified at least 1 key person who meets the definition of a key employee. While including key persons of affiliate organizations is often a requirement for sports betting operators, no other jurisdiction where we operate fantasy sports requires this level of licensure for fantasy sports contest operators. Given the Act makes no reference to Key Person or individuals from affiliate organizations, we respectfully request the Board reconsider the definition of "key persons" within the Proposed Rules to remove references to individuals from affiliate organizations. Yahoo has operated continuously in Michigan since July of 2015. However, given our complex ownership structure, any personal disclosure requests from individuals from our affiliate organizations who have no involvement in the day-to-day management of fantasy sports would likely impede us from operating in the state and offering contests to Michigan residents.

2. Geolocation

Rule Reference: 432.539(2)



The Board has included requirements with respect to geolocation checks prior to purchase of an entry which are appropriate and consistent with the paid fantasy regulations of other states. However, additional clarification is needed to understand what is meant by “dynamic monitoring” of a player’s location. Other jurisdictions require a geolocation check each time a player makes a deposit and at the time of contest entry. It would be overly burdensome, technologically and financially, to require continual geolocation checks after users have entered, as most users spend significant time with their contest pages open, tracking their players and teams, once contests have started and lineups have locked. No other jurisdiction requires real-time monitoring of a player’s location throughout the fantasy contest player session. In the absence of additional clarification as to what is meant by “dynamic monitoring”, we recommend the Board remove this requirement and mirror the geolocation obligations required by the majority of states that have implemented laws and regulations governing paid fantasy sports and limit geolocation checks at time of deposit and contest entry. We offer paid fantasy sports in 41 states and no other jurisdiction has this requirement.

3. Compliance with Bank Secrecy Act

Rule Reference: 432.534

Yahoo Fantasy Sports has implemented a strong compliance framework which includes internal controls around KYC, fraud detection, and anti-money laundering. However, fantasy sports contests are not regulated under the federal Bank Secrecy Act and as a result, we request any compliance requirements with BSA regulations be removed from the Proposed Rules. No fantasy sports regulation or law in any jurisdiction where Yahoo operates paid fantasy sports has this requirement.

4. Confidentiality

Rule Reference: 432.528(4)

The Proposed Rules require applicants or licensees to accept any risk as a result of the public disclosure of information in conjunction with a license application. We respectfully request all records, internal controls and evidence shared with the Michigan Gaming Control Board in conjunction with a fantasy sports operator application remain confidential which is consistent with regulatory requirements in other jurisdictions. At a minimum, licensing information shared pertaining to indirect affiliate organizations and investors should remain confidential. Further, the Board should establish a process, similar to the SEC rules, that allows for individuals or organizations to submit confidential treatment request applications in cases where there is an objection to the public release of confidential information that is otherwise required to be filed.

5. Self Restriction Conditions



Rule Reference: 432.532d(3)(d)

No other jurisdiction requires players to agree to release authorizations holding harmless the state, the board, or employees of the board. We respectfully request the Board to reconsider this overreaching requirement.

6. Terms and Conditions

Rule Reference: 432.542(1)(c)(iii)

Additional clarification is needed within the Proposed Rules specific to the rules and obligations of fantasy contest players. All Yahoo Fantasy Sports fantasy players agree to our paid fantasy contest terms of service which are governed by New York law as they incorporate by reference the Yahoo Inc. Terms of Service. Our preference would be to not break out for Michigan residents only a different forum or choice of law given our terms are governed by New York law for all other states where we are licensed and operate paid fantasy sports. However, at a minimum, we suggest that the Board clarify with more specificity what it means by "jurisdiction" in this section of the Proposed Rules. As currently drafted, it is unclear if the Board's intention is to mean forum, choice of law, or both.

Thank you for your consideration of our comments regarding the Proposed Rules.

Sincerely,

A handwritten signature in black ink that reads "Meredith C. Yu". The signature is written in a cursive, flowing style.

Meredith C. Yu
Head of Compliance, Yahoo Fantasy Sports
(310) 741-9578
mcheek@yahoosports.com



January 6, 2022

Via E-Mail: MGCB-Rules@michigan.gov

Michigan Gaming Control Board
3062 W. Grand Blvd, #L700
Detroit, Michigan 48202
Attn: Mr. David Murley, Deputy Director

Re: Proposed Changes to Fantasy Contests Rule Set

Dear Deputy Director Murley:

Following receipt of the Michigan Gaming Control Board's ("Board") notice of public hearing to receive public comments on proposed changes to the fantasy contests rule set, DraftKings Inc. ("DraftKings") submits the following comments for the Board's consideration. As a leading fantasy contest operator in the United States, DraftKings has first-hand experience with a wide range of fantasy contest regulatory frameworks, and submits these comments based on its operational knowledge in regulated markets throughout the country.

R 432.532d Fantasy contest self-restriction program.

(6)(c) Prevent a fantasy contest player from removing or reducing the severity of a notification or self-imposed limit ~~with less than~~ within 24 hours' ~~notice~~ of setting the limit.

DraftKings respectfully requests amending this provision to allow the changing of such limits promptly upon request rather than waiting 24 hours to implement the requested change so long as the customer is not in a blackout period which would prohibit such changes. For example, if someone sets a daily limit, DraftKings believes the rule should prevent a customer from changing the limit within the first 24 hours, but if they choose to remove the limit a week later DraftKings should allow the customer to do so without a 24-hour notice period.

R 432.534 Bank secrecy act compliance.

DraftKings respectfully requests striking references to the Bank Secrecy Act in full. The Bank Secrecy Act does not apply to fantasy contests. Additionally, the following rule, R 432.534a, covers similar, applicable types of concerns applicable to fantasy sports.



R 432.541a Age and identity verification.

(1) A fantasy contest operator or licensed management company must verify an individual's age and identity before allowing that individual to create a fantasy contest player account and make a deposit or enter or participate in a fantasy contest.

3. Third-party service providers may be used for age and identity verification of an individual attempting to create a fantasy contest player account and make a deposit or enter or participate in a fantasy contest.

DraftKings respectfully requests clarification on when an operator must verify an individual's identity. DraftKings is interpreting these requirements to necessitate verification of a player's age and identity at one of the following two instances, as determined by the fantasy contest operator:

1. When the individual creates a fantasy contest player account and makes a deposit; or
2. When an individual creates a fantasy contest player account and enters or participates in a fantasy contest.

R 432.544 Fantasy contest player account requirements.

To establish a fantasy contest player account, a fantasy contest operator or licensed management company must do all of the following:

(a) Create an electronic fantasy contest player file, which must, at a minimum, include the following:...

(i) The fantasy contest player's full or legal name.

DraftKings respectfully requests the process for, and types of information captured during account creation be amended to allow fantasy sports contest operators to capture a "player's full name" instead of a "player's legal name." A player providing their "full name" (such as "Mike Smith") upon account creation must still undergo identity verification through a third-party provider in order to make deposits or enter contests, and the full name provided will be verified using public records that may include the associated legal name ("Michael Smith"). Conversely, if a player cannot be identified through the information provided to the identity verification service provider, additional information is requested from that player, including forms of identification like a driver's license which disclose legal name. Since use of a full name does not compromise the integrity of age and identity verification measures, responsible parties should be able to establish and maintain accounts using a customer's "full name" to facilitate ongoing customer communications rather than mandating that the account be established and maintained using a



formal legal name. By making this minor change the board will adopt the industry standard currently used across the country, and for example was recently adopted by the Arizona Department of Gaming. See, [R19-4-216.D.1](#).

R 432.551 Fantasy contest operator and licensed management company procedures and internal controls.

(1) A fantasy contest operator and any licensed management company that manages day-to-day fantasy contest operations of the fantasy contest operator must submit to, and receive approval from, the board commercially reasonable ~~procedures and~~ internal controls intended to accomplish all of the following:

(f) Prevent the owners, directors, employees, agents, contractors, and third-party providers of the fantasy contest operator or licensed management company from sharing protected information with third parties unless the protected information is otherwise made publicly available in accordance with R 432.532g. ~~The procedures must include the means by which a fantasy contest operator or licensed management company will provide notice to a fantasy contest player related to the sharing of protected information that includes the fantasy contest player's personal identifiable information.~~

(g) Ensure the security of personal identifiable information and financial information of a fantasy contest player, funds in a fantasy contest player account, and other information as required by the board. ~~The procedures must include the means by which a fantasy contest operator or licensed management company will provide notice to a fantasy contest player related to the sharing of personal identifiable information.~~

DraftKings respectfully requests striking the requirement to have internal procedures reviewed and approved. Only a few states require the submission of fantasy contest internal controls for approval, and no other state requires the submission of procedures. Many of the issues detailed in this section do not currently have a documented procedure in place and it would create a significant operational burden to create them specifically for Michigan. Much of this information is already found in existing documents such as an operator's Terms of Service and Privacy Policy. DraftKings respectfully submits that the fact we are operational and successful in 45 states today demonstrates that existing measures are sufficient to address the issues raised in this section and we respectfully request that the Board consider documents such as the Terms of Service and Privacy Policy to satisfy requirements relating to procedures.

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(i) ~~Ensure compliance with all applicable provisions of the bank secrecy act of 1970, 31 USC 5311 to 5332, and R 432.534.~~



DraftKings respectfully requests removing subsection (i) in its entirety for the same reasons outlined in its comments to R. 432.534.

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(4) Unless otherwise determined by the board, all of the following provisions apply to technical adjustments and amendments to the ~~procedures and~~ internal controls:

(a) A fantasy contest operator or licensed management company must notify the board in advance of making any technical adjustment to its ~~procedures and~~ internal controls. The technical adjustment may be implemented immediately if it is not material and ~~the procedures and~~ internal controls continue to meet or exceed standards required by the act and these rules. If at any time the board determines that the technical adjustment is material, the fantasy contest operator or licensed management company must do either of the following:

(i) Submit the material technical adjustment to the board in accordance with subdivision (b) of this subrule. The fantasy contest operator or licensed management company must not implement the material technical adjustment until it is approved by the board under subdivision (b) of this subrule or allowed to be implemented under subdivision (c) of this subrule. If the material technical adjustment was previously implemented, the material technical adjustment may remain in effect during the pendency of the submission unless otherwise directed by the board.

(ii) Withdraw the material technical adjustment. If the material technical adjustment was previously implemented, the fantasy contest operator or licensed management company has 15 days to cease implementation.

(b) Except as otherwise provided in subdivision (c) of this subrule, all material technical adjustments and amendments to the ~~procedures and~~ internal controls must be submitted to and approved by the board, in writing, ~~prior to implementation.~~

(c) If within ~~15~~ days, the board has not approved, denied, or otherwise provided written notice regarding a material technical adjustment or amendment to the ~~procedures and~~ internal controls, a fantasy contest operator or licensed management company may implement the material technical adjustment or amendment, as submitted, with the board retaining its authority to require further amendment, approval, or denial.

(d) If the board requests additional information, clarification, or revision of a proposed technical adjustment or amendment to the ~~procedures and~~ internal controls and the fantasy contest operator or licensed management company fails to satisfy the request within 30 days, the board may consider the proposed technical adjustment or amendment withdrawn. If the technical adjustment or amendment was previously implemented under subdivision (a) or (c) of this subrule at the time it is considered withdrawn, the fantasy contest operator or licensed management company has 15 days to cease implementation of the technical adjustment or amendment. If the fantasy contest operator or licensed management company subsequently wants to implement or seek board approval of the proposed technical adjustment or amendment, the fantasy contest operator or licensed management company must resubmit the notification or request.

DraftKings respectfully requests that references to procedures be removed for the same reasons



identified in comments to R. 432.551(1) above.

Further, DraftKings respectfully requests the timeframe for the Board’s review be shortened from 15 days to 5 days in subsection (c) to align with similar reviews in other jurisdictions. For example, Arizona has a similar provision in its fantasy sports rules and has adopted a five-day response window that has proven workable and successful. See, [R19-4-207.C.2](#). Fantasy sports contest operators make minor changes frequently and requiring testing and approval for material changes by one state regulator 15 days out is not tenable. Fantasy sports contests operators need approval and turn around within a few days, or risk delaying changes that may be necessary.

R 432.554 Independent audit

(1) By July 1 of each year, or a later date if approved by the Board, a fantasy contest operator and any licensed management company that manages day-to-day fantasy contest operations of the fantasy contest operator must contract with an independent certified public accountant to perform an independent audit, in accordance with generally accepted accounting principles, of the financial condition of the fantasy contest operator's and licensed management company's total operations for the previous fiscal year and assess the fantasy contest operator's and licensed management company's compliance with R 432.535a and section 14 of the act, MCL 432.514

DraftKings respectfully requests the audit requirement allow the Board to consider extending the date for which a fantasy contest operator and licensed management company must contract with an independent certified public accountant to perform an independent audit. The foregoing modification does not jeopardize any of the public policy goals in obtaining timely information but does allow the Board discretion to account for situations that arise where an operator may reasonably request an extension to satisfy its obligations.

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Thank you for your consideration of DraftKings’ comments and please do not hesitate to contact us if we could be of further assistance as you continue to consider the proposed rules.

Sincerely,

DraftKings Inc.