

ANNEX A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

SUBPART O. FANTASY CONTESTS

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Chapter 1201. FANTASY CONTESTS GENERALLY – TEMPORARY REGULATIONS

§ 1201.1. Scope.

The purpose of this part is to implement and govern the operation and conduct of fantasy contests in this Commonwealth as provided for in 4 Pa.C.S. Part I (related to fantasy contests).

§ 1201.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Applicant - A person who, on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under the provisions of this subpart. If the applicant is a person other than an individual, the Board shall determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

Beginner - A participant who has entered fewer than 51 contests offered by a single licensed operator or who does not meet the definition of a highly-experienced player.

Entry fee - The cash or cash equivalent paid by a participant to a licensed operator in order to participate in a fantasy contest.

Fantasy contest - As follows:

(a) An online fantasy or simulated game or contest with an entry fee and a prize or award in which:

(1) The value of all prizes or awards offered to winning participants is established and made known to participants in advance of the contest and the value is not determined by the number of participants or the amount of any fees paid by those participants.

(2) All winning outcomes reflect the relative knowledge and skill of participants and are determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events.

(3) No winning outcome is based on the score, point spread or performance of a single actual team or combination of teams or solely on a single performance of an individual athlete or player in a single actual event.

(b) The term does not include social fantasy contests.

Fantasy contest account - The formal electronic system implemented by a licensed operator to record a participant's entry fees, prizes or awards and other activities related to participation in the licensed operator's fantasy contests.

Fantasy contest license - A license issued by the Board authorizing a person to offer fantasy contests in this Commonwealth in accordance with this subpart.

Fantasy contest terminal - A computerized or electronic terminal or similar device within a licensed facility that allows participants to:

- (1) Register for a fantasy contest account.
- (2) Pay an entry fee.
- (3) Select athletes for a fantasy contest.
- (4) Receive winnings.
- (5) Otherwise participate in a fantasy contest.

Highly experienced player - As follows:

- (1) Any participant who has:
 - (i) Entered more than 1,000 fantasy contests.
 - (ii) Won more than three fantasy contest prizes or awards valued at \$1,000 or more.
- (2) Once a participant is classified as a highly-experienced player, a player shall remain classified as a highly-experienced player.

Key employee - An individual who is employed by an applicant for a fantasy contest license or a licensed operator in a director or department head capacity or who is empowered to make discretionary decisions that regulate fantasy contest operations as determined by the Board.

Licensed facility - As follows:

- (1) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot

machines and, if authorized by the Board to conduct table games and/or interactive gaming. The term includes any:

(i) Area of a licensed racetrack at which was previously authorized pursuant to 4 Pa.C.S. § 1207(17) (relating to regulatory authority of Board) to operate slot machines prior to the effective date of this paragraph.

(ii) Board-approved interim facility or temporary facility.

(iii) Area of a hotel which the Board determines is suitable to conduct table games.

(iv) Area of a licensed facility where casino simulcasting is conducted, as approved by the Board.

(2) The term shall not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Board and which is maintained and operated by an interactive gaming certificate holder in connection with interactive gaming or casino simulcasting.

Licensed operator - A person who holds a fantasy contest license.

Participant - An individual who participates in a fantasy contest, whether the individual is located in this Commonwealth or another jurisdiction.

Person - A natural person, corporation, publicly traded corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association or any other form of legal business entity.

Principal - An officer, director or person who directly holds a beneficial interest in or ownership of the securities of an applicant for a fantasy contest license or a licensed operator, a person who has a controlling interest in an applicant for a fantasy contest license or a licensed operator or who has the ability to elect a majority of the board of directors of a licensed operator or to otherwise control a licensed operator, lender or other licensed financial institution of an applicant for a fantasy contest license or a licensed operator, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant for a fantasy contest license or a licensed operator or other person or employee of an applicant for a fantasy contest license or a licensed operator deemed to be a principal by the Board.

Prize or award - Anything of value worth \$100 or more or any amount of cash or cash equivalents.

Publicly traded corporation - A person, other than an individual, that:

(1) Has a class or series of securities registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a-78qq).

(2) Is a registered management company under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1 - 80a-64).

(3) Is subject to the reporting requirements under section 15(d) of the Securities Exchange Act of 1934 by reason of having filed a registration statement that has become effective under the Securities Act of 1934 (15 U.S.C.A. §§ 77a - 77aa).

Script - A list of commands that a fantasy contest related computer software program can execute that is created by a participant or third party not approved by the licensed operator to automate processes on a licensed operator's fantasy contest platform.

Season-long fantasy contest - A fantasy contest offered by a licensed operator that is conducted over an entire sports season.

Social fantasy contest - A fantasy contest which meets one or more of the following criteria:

(1) Nothing is offered to participants other than game-based virtual currency that cannot be redeemed for cash, merchandise or anything of value outside the context of game play.

(2) The contest is free to all participants.

(3) The entity offering the contest receives no compensation, other than an administrative fee for the maintenance of statistical information, in connection with the contest.

(4) The winnings offered are of no greater value than the lowest individual fee charged to a single participant for entering or participating in the contest.

(5) The contest encompasses an entire season of the activity in which the underlying competition is being conducted and the winnings offered, if any, are determined by agreement of the participants only in order to distribute fully the participants' contributions to a fund established to grant the winnings for the contest.

Suspicious transaction - A transaction between a licensed operator or an employee of a licensed operator and an individual that involves the acceptance or redemption by a person of cash or cash equivalent involving or aggregating \$5,000 or more which a licensed operator or employee of a licensed operator knows, suspects or has reason to believe:

(1) Involves funds derived from illegal activities or is intended or conducted in order to conceal or disguise funds or assets derived from illegal activities.

(2) Is part of a plan to violate or evade a law or regulation to avoid a transaction reporting requirement under the laws or regulations of the United States or this Commonwealth, including a plan to structure a series of transactions to avoid a transaction reporting requirement under the laws of the United States or this Commonwealth.

(3) Has no apparent lawful purpose or is not the type of transaction in which a person would normally be expected to engage and the licensed operator or employee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

**Chapter 1202. APPLICATION REQUIREMENTS - TEMPORARY
REGULATIONS**

§ 1202.1. General licensing requirements.

A fantasy contest license holder may conduct fantasy contests within this Commonwealth in accordance with the provisions of 4 Pa.C.S. Part I (relating to fantasy contests) and this subpart.

§ 1202.2. Fantasy contest licenses.

(a) An application for a fantasy contest license shall be submitted on forms or in an electronic format supplied or approved by the Board and shall contain the following information:

(1) The identity of the applicant as follows:

(i) If the applicant is an individual, the name, Federal employer identification number, contact information and business address of the applicant.

(ii) If the applicant is a corporation, the name and business address of the corporation, the state of its incorporation and the full name, contact information and business address of each officer and director thereof.

(iii) If the applicant is a foreign corporation, the name and business address of the corporation, whether it is qualified to do business in this Commonwealth and the full name, contact information and business address of each officer and director thereof.

(iv) If the applicant is a partnership or joint venture, the name, contact information and business address of each officer thereof.

(2) The name and location of the applicant's licensed facility, if applicable.

(3) The name, contact information and business address of the person having custody of the applicant's financial records.

(4) The name and business address, job title, fingerprints and a photograph of each principal and key employee of the applicant who will be involved in fantasy contests and

who is not currently licensed by the Board, if known. If the principal and key employee is currently licensed by the Board, the application shall require them to be specifically identified for their participation in offering fantasy contests.

(5) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(6) A copy of any agreement or agreements the applicant has entered into or a detailed description of the terms and conditions of any agreement the applicant will enter into to facilitate the operation or conduct of fantasy contests.

(7) Any other information the Board may require.

(b) Upon request of the Board or Board staff, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request, or if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period as set forth in the request, the Board may deny the application.

(c) The application, and amendments thereto, and other specific documents designated by the Board shall be sworn to or

affirmed by the applicant before a notary public which shall be filed promptly with the Board.

(d) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 1202.3. Licensed gaming entities.

(a) An abbreviated application for a fantasy contest license by a licensed gaming entity may be submitted on forms or in an electronic format supplied or approved by the Board.

(b) Upon request of the Board or Board staff, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time-period specified in the request, or if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time-period as set forth in the request, the Board may deny the application.

(c) The application, and amendments thereto, and other specific documents designated by the Board shall be sworn to or affirmed by the applicant before a notary public which shall be filed promptly with the Board.

(d) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 1202.4. Principals.

(a) A principal as defined in this subpart shall apply for licensure as a Principal in accordance with 58 Pa. Code § 433a.8 (relating to principal applications).

(b) In addition to information required under 58 Pa. Code § 433a.8, an individual required to be licensed as a principal, unless otherwise directed by the Board, shall submit:

(1) The nonrefundable application fee posted on the Board's web site.

(2) A description of responsibilities as a principal.

(3) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(4) The consent to a background investigation by the Bureau and a release to obtain the information necessary for the completion of the background investigation.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may approve a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a principal.

(d) A principal license is not transferable.

(e) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a principal if the Board determines additional time is needed to complete an investigation for licensure.

§ 1202.5. Key employees.

(a) A key employee as defined in this part shall apply for licensure as a Key Employee in accordance with 58 Pa. Code § 435a.2 (relating to key employee applications).

(b) In addition to information required under 58 Pa. Code § 435a.2, an individual required to be licensed as a key employee, unless otherwise directed by the Board, shall submit:

(1) The nonrefundable application fee posted on the Board's web site.

(2) A description of employment responsibilities.

(3) The consent to a background investigation by the Bureau and a release to obtain the information necessary for the completion of the background investigation.

(4) Details relating to a similar license or other authorization obtained in another jurisdiction.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may approve a key employee license if the applicant has proven by clear and convincing evidence that

the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a key employee if the Board determines additional time is needed to complete an investigation for licensure.

(e) An individual may not perform duties associated with a position that requires a key employee license prior to receiving a temporary or permanent credential unless otherwise authorized by the Board.

§ 1202.6. Gaming service providers.

The Board may, in its discretion, require a licensed operator who is not a licensed gaming entity to apply for a certificate or registration as a gaming service provider to provide fantasy contests to, or on behalf of, a licensed gaming entity pursuant to 4 Pa.C.S. § 342.

Chapter 1203. APPLICATION PROCESS - TEMPORARY REGULATIONS

§ 1203.1. Application review and processing.

(a) The Board will review applications submitted under this subpart to ensure compliance with 4 Pa.C.S. Part I (relating to fantasy contests) and Board regulations.

(b) If an applicant fails to include any required documentation or information, the Board will notify the applicant and give him an opportunity to cure the deficiency.

(c) Upon a determination that the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

(1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.

(2) Promptly conduct an investigation of the applicant and on any matter relating to the application, if applicable.

(3) Request the Department to promptly conduct or update a tax clearance review.

(4) Request the Pennsylvania State Police or Federal Bureau of Investigations conduct or update a criminal history review.

(5) Request any agencies, entities or persons to provide information to the Board as deemed necessary by the Board.

(d) An application submitted under this part and information obtained by Board staff relating to the application will be part of the evidentiary record to be utilized by the Board when deciding to approve, condition, issue or deny a fantasy contest license.

(e) A determination as to the merit of the applicant to receive a fantasy contest license shall be made within 120 days. If the license is not approved, the Board shall provide the applicant with the justification for not issuing the fantasy contest license.

§ 1203.2. Application withdrawal.

(a) A request for withdrawal of an application may be made at any time prior to the Board taking action on the application in accordance with the following requirements:

(1) A request for withdrawal of an entity applying for a license, certification or registration, or an individual applying for a principal license shall be made by filing a petition with the Board in accordance with 58 Pa. Code § 493a.4 (relating to petitions generally).

(2) A request for withdrawal of an individual applying for a key employee license or a permit shall be made on a form supplied by the Bureau of Licensing. If Board staff objects to the request for withdrawal, the person filing the form will be notified and may be required to file a petition for withdrawal with the Board in accordance with 58 Pa. Code § 493a.4.

(b) The petition or form must set forth the reasons for the withdrawal.

(c) When rendering a decision on a petition for withdrawal, the Board may set the conditions of withdrawal and may deny or grant the request with or without prejudice.

(d) Unless the Board otherwise directs, fees or other payments relating to an application, license, permit, registration or certification will not be refundable by reason of the withdrawal.

§ 1203.3. Existing activity.

An applicant for a fantasy contest license who is conducting fantasy contests in this Commonwealth prior to the effective date of 4 Pa.C.S. Part I (relating to fantasy contests), or during the time period of a renewal application, may operate fantasy contests during the application or renewal process and prior to the Board granting a fantasy contest license unless the Board has reasonable cause to believe the person or licensed operator is, or may be, in violation of the act and the Board has required the person to suspend the operation of a fantasy contest until such time as the Board takes action on the application.

§ 1203.4. Renewals.

(a) All licenses and registrations issued under this part shall be for a term of five (5) years from the date of issuance.

(b) An application for renewal of a license or registration shall be submitted at least 180 days prior to the expiration of

the license or registration and shall include an update of all information contained in the initial application and any prior renewal applications.

(c) A license, permit, or registration for which an application for renewal has been timely filed shall continue in effect until such time as the Board acts upon the application for renewal.

§ 1203.5. Licensed entity representatives.

(a) A licensed entity representative shall register with the Board, in a manner prescribed by the Board. The registration shall include the name, employer or firm, business address and business telephone number of both the licensed entity representative and any licensed operator, applicant for licensure or other person being represented.

(b) A licensed entity representative shall have an affirmative duty to update its registration information on an ongoing basis. Failure to update a registration shall be punishable by the Board.

Chapter 1204. FANTASY CONTEST LICENSES - TEMPORARY REGULATIONS

§ 1204.1. Fantasy contest license issuance and statement of conditions.

(a) Issuance criteria - In addition to the criteria contained in 4 Pa.C.S. Part I, the Board will not issue or renew

a fantasy contest license unless the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board or contained in the act, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of this Commonwealth and is otherwise qualified to be issued a fantasy contest license.

(b) Statement of conditions.

(1) The applicant, as a condition precedent to the issuance of a fantasy contest license, shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision contained in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision contained in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against a licensee.

Chapter 1205. FANTASY CONTESTS - TEMPORARY REGULATIONS

§ 1205.1. Fantasy contests generally.

A fantasy contest licensee may offer fantasy contest only under the following:

(1) The value of all prizes or awards offered to winning participants is established and made known in advance of the fantasy contest.

(2) The value of the prize or award is not determined by the number of participants or the amount of fees paid by the participants.

(3) The winning outcome reflects the relative knowledge and skill of the participant.

(4) The winning outcome is not based on the score, point spread or performance of a single actual team or combination of teams or solely on a single performance of an individual athlete or player in a single actual event.

(5) The winning outcome is based on statistical results accumulated from fully completed athletic sports contests or events, except that participants may be credited for statistical results accumulated in a suspended or shortened sports event which has been partially completed on account of weather or other natural or unforeseen event.

§ 1205.2. Procedures to govern the conduct of fantasy contests.

(a) Each fantasy contest license holder shall establish and implement procedures governing the conduct of fantasy contests, as approved by the Board.

(b) The governing procedures shall include, at a minimum:

(1) No participant shall be eligible to engage in a fantasy contest by a licensed operator without first establishing a fantasy contest account unless the fantasy contest is through a fantasy contest terminal in a licensed facility.

(2) Prior to a participant engaging in a fantasy contest or making a deposit in a fantasy contest account, the licensed operator shall verify the age, location and identity of any participant. No participant outside of this Commonwealth may participate in a fantasy contest under this subpart. No person under the age of 18 may engage in a fantasy contest by a licensed operator. If the participant is utilizing a fantasy contest terminal in a licensed facility, the participant shall be 21 years of age to engage in a fantasy contest.

(3) Each time a participant enters his registered fantasy account, he must enter his unique username and password to verify his identity.

(4) Prior to accepting of a participant's entry fee for a specific fantasy contest, all Board-approved rules, prizes and award values shall be posted on the specific fantasy contest homepage in a clear and decipherable manner.

(5) Provisions to prohibit a participant from participating in beginner fantasy contests, except as provided by the 4 Pa.C.S. § 325(4.1)(ii) (relating to conditions of

licensure). If a participant who is not a beginner attempts to enter a beginner contest, his account shall be temporarily suspended from further fantasy contest participation for 15 days and the fantasy contest operator shall ban the individual from any further participation in beginner fantasy contests offered by the licensed operator.

(6) Provisions to prohibit a highly experienced player from participating in fantasy contests that exclude highly experienced players. In accordance with 4 Pa.C.S. § 325(4.2) (relating to conditions of licensure), if a participant who is a highly experienced player attempts to enter a fantasy contest for which they are ineligible, their account shall be temporarily suspended for 15 days and their account shall be banned from entering further such contests.

(7) Upon the creation of a fantasy contest account or the engagement of a fantasy contest terminal in a licensed facility, the licensed operator shall require the participant to identify any professional sports in which he currently engages in and which are subject to a fantasy contest and shall limit the participant's account from entering into contests of that sport.

(8) Allowing a person to restrict himself from entering a fantasy contest or accessing a fantasy contest account for a specific period of time as determined by the

participant and implement procedures to prevent the person from participating in the licensed operator's fantasy contests.

(9) Allowing a person to restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time period established by the participant and implement procedures to prevent the participant from exceeding the limit.

(10) Establishing procedures to monitor for and prevent the use of scripts.

(11) Establishing procedures determining when a fantasy contest locks and when no further entries or substitutions can be made. These procedures shall require that the prize stipulated in the entry rules is available and can be so demonstrated upon request of the Board.

(12) A process for a fantasy contest operator to receive and respond to participant complaints and reconciling a participant's fantasy contest account.

§ 1205.3. Fantasy contest accounts.

(a) A participant in a fantasy contest by a licensed operator may only enter a fantasy contest if the participant has established an account with the fantasy contest operator.

(b) The licensed operator shall perform the following with respect to each participant account:

(1) Verify the age, location and identity of any participants in a fantasy contest prior to accepting an entry in a fantasy contest by the participant account holder.

(2) Assure the participant must have funds on account sufficient to pay the fantasy contest entry fee at the time of entry.

(3) Require each time a participant enters his registered fantasy account, he must enter his unique username and password to verify his identity.

(4) Provide the account holder the option to:

(i) Restrict the participant from entering a fantasy contest or accessing a fantasy contest account for a specific period-of-time as determined by the account holder.

(ii) Restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time-period established by the participant.

(iii) Restrict the total amount of entry fees that the participant may pay to the licensed operator for a specific time-period established by the participant.

(iv) Restrict the number of fantasy contests the participant may enter for a specific time-period as determined by the account holder.

(v) With respect to (4) (i) (ii) (iii) and (iv), a participant may make his limits more restrictive at any time but

may not make a limit less restrictive within 90 days of imposing a restriction.

(5) Prevent unauthorized withdrawals from a fantasy contest account.

(6) Establish protocols for participants to withdraw funds whether the account is open or closed.

(7) Establish procedures for closing accounts and paying balances.

(8) Establish procedures for the disbursement of unclaimed prizes.

§ 1205.4. Fantasy contest licensed operator duties.

(a) A licensed operator shall comply with all conditions of licensure as set forth in 4 Pa.C.S. Part I (relating to fantasy contests) and the Board's regulations.

(b) A licensed operator shall continually monitor fantasy contests for conduct which violates the provisions and restrictions of the act and the Board's regulations and immediately take steps to report such conduct to the Bureau upon discovery.

(c) A licensed operator shall implement measures to ensure the confidentiality of participants' personal, financial and account information and to prevent the public disclosure of such information except as provided by law.

(d) A licensed operator shall timely remit all taxes and assessments to the Department as provided for in the Act.

(e) A licensed operator shall cooperate with the Board, the Bureau, the Department and law enforcement authorities performing any function or duties related to monitoring, investigating or enforcing provisions of the act or regulations relating to fantasy contest related activities.

(f) A licensed operator shall permit access to the licensee's premises and fantasy contest terminal premises used in connection with the conduct of fantasy contests for the Board, the Bureau, the Department and the Pennsylvania State Police to facilitate the ability to perform regulatory oversight and law enforcement functions, respectively.

(g) A licensed operator shall submit a record of all participant complaints along with a description of how the complaint was resolved and reconciled to the Board on a quarterly basis.

(h) A licensed operator shall submit to the Bureau a record of any suspicious transactions as provided in 58 Pa. Code § 325(4.5) within two business days of learning of the event.

(i) Each licensed operator shall maintain an office or place of business within the Commonwealth and shall file with the Board the address and contact information for a person or representative in the Commonwealth authorized to receive service

of process, documents and requests issued by the Board. If the Board makes a request for information or delivers documents or a notice to that address, it shall constitute receipt of those documents or requests by the licensed operator or applicant. If the Board shall require access to the database for the licensed operator, this information shall be kept, and be made available to the Board, at the Pennsylvania office address.

§ 1205.5. Fantasy contest licensed operator restrictions.

(a) A licensed operator shall not:

(1) Except as provide in (a)(2), permit an individual under the age of 18 to participate in a fantasy contest.

(2) Permit an individual under the age of 21 to participate in a fantasy contest which is conducted within a licensed facility.

(3) Offer a fantasy contest based in whole or in part on collegiate or high school events or players.

(4) Permit a participant to enter a fantasy contest prior to establishing a fantasy contest account, unless the licensed operator is also a licensed gaming entity and the participant enters the fantasy contest through a fantasy contest terminal located within the licensed gaming entities licensed facility.

(5) Establish a fantasy contest account for a person who is not an individual.

(6) Alter the rules established for a fantasy contest after a participant has entered the fantasy contest.

(7) Issue credit to a participant to establish or fund a fantasy contest account.

(8) Permit the use of scripts by participants and shall implement technologies to prevent the use of scripts.

(9) Knowingly market to a participant during a time period in which the participant has self-excluded from the licensed operator's fantasy contests.

(10) Knowingly allow a self-excluded person to collect, keep or retain a prize.

(11) Knowingly accept a deposit or entry in excess of a limit established by a participant for the specific time period established by the participant.

(12) Share confidential information that could affect fantasy contest play with third parties until the information is made publicly available.

(13) Knowingly permit a principal, an employee of a licensed operator or a relative living in the same household of an employee or a principal of a licensed operator to become a participant in a fantasy contest offered by any licensed operator in which the licensed operator offers a prize or award.

§ 1205.6. Licensed gaming entities.

(a) A licensed gaming entity which holds a fantasy contest license may petition the Board for authority to place and operate fantasy contest terminals within the licensed gaming entity's licensed facility.

(b) A licensed gaming entity may not place a fantasy contest terminal on its approved gaming floor. The Board's executive director shall approve the placement of any terminal(s) within the licensed facility.

(c) A participant entering a fantasy contest through a fantasy contest terminal is not required to establish an account with the licensed gaming entity prior to entering the fantasy contest.

(d) A licensed gaming entity which offers fantasy contest through a fantasy contest terminal may offer slot machine promotional play or table game match play to a participant who is at least 21 years of age as a prize or award or for participating in a fantasy contest conducted by the licensed gaming entity, as approved by the Board.

(e) A licensed gaming entity which obtains authorization from the Board to conduct fantasy contests through fantasy contest terminals is subject to all requirements and restrictions set forth, except for those relating to prior account establishment, in Chapters 1205, 1206, 1207, 1208 and 1209.

§ 1205.7. Record and data retention.

(a) A licensed operator shall retain account information, including records of deposits into and out of a fantasy contest account, winnings, payouts and withdrawals, and record of participant play of fantasy contests for a five-year period.

(b) A licensed operator shall retain records of each fantasy contest conducted by the licensed operator for a five-year period.

(c) A licensed operator shall retain copies of all advertisements for at least two years from the date of the last use of the advertisement and shall retain records to identify where such advertisements were placed.

**Chapter 1206. ACCOUNTING AND INTERNAL CONTROLS -
TEMPORARY REGULATIONS**

§ 1206.1. Fantasy contest accounting and internal controls.

(a) At least 45 days prior to commencing fantasy contests under this part, except as provided for in 4 Pa.C.S. § 1203.3, a fantasy contest licensee or an applicant for a fantasy contest license shall submit to the Board for approval all internal control systems and audit protocols for the fantasy contest operations.

(b) An applicant for a fantasy contest license who is conducting fantasy contests in this Commonwealth prior to the

effective date of 4 Pa.C.S. Part I, shall submit a copy of its internal control systems and audit protocols for the fantasy contest operations simultaneous to its application for a fantasy contest license.

(c) A fantasy contest licensed operator's internal controls and audit protocols shall:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of fantasy contests, including reports to the Board related to fantasy contest.

(2) Provide for accurate and reliable financial records related to the conduct of fantasy contests, including by or through participants located within the Commonwealth of Pennsylvania.

(3) Establish procedures and security for the recordation of wagering, winnings, and fantasy contest adjusted revenue and taxation.

(4) Establish procedures and security standards for the maintenance of fantasy contests and associated equipment used in connection with the conduct of fantasy contests.

(5) Establish procedures and rules to govern the conduct of fantasy contests and the responsibility of employees related to fantasy contest.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of fantasy contests by or through participants located within this Commonwealth of Pennsylvania.

(7) Establish reporting procedures and records required to ensure that all money generated from fantasy contests by or through participants located within the Commonwealth of Pennsylvania is accounted for.

(8) Ensure that all functions, duties and responsibilities related to fantasy contests are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(9) Ensure the confidentiality of participant's personal and financial information.

(10) Ensure the segregation of participant funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, security deposits held by banks and processors, an irrevocable letter of credit, payment processor reserves and receivables, a bond or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning participants.

(d) The submission required under subsections (a) and (b) shall include a detailed description of the fantasy contest license operator's administrative and accounting procedures

related to fantasy contests, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in fantasy contests.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) A detailed narrative description of the administrative and accounting procedures to satisfy the requirements of 4 Pa.C.S. § 325 (relating to conditions of licensure).

(4) The record retention policy of the licensed operator.

(5) The procedure to be utilized to ensure that money generated from the conduct of fantasy contests is safeguarded, including mandatory counting and recording procedures.

(6) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(7) Procedures to be utilized by an employee of a licensed operator in the event of a malfunction of a fantasy

contest terminal or other equipment used in the conduct of fantasy contests.

(8) Procedures to be utilized by a licensed operator to prevent minors from entering fantasy contests.

(9) Other items the Board may request in writing to be included in the internal controls.

(10) A statement signed by the chief financial officer of then proposed licensed operator or other competent person and the chief executive officer of the proposed licensed operator or other competent person attesting that the officer believes, in good faith, that the system satisfies the requirements of 4 Pa.C.S. § 325.

(e) Except as provided in 4 Pa.C.S. § 1203.3, prior to authorizing a licensed operator to commence the conduct of fantasy contests, the Board shall review the system of internal controls and audit protocols submitted under subsection (a) and (b) to determine whether it conforms to the requirements of this subchapter and whether it provides adequate and effective controls for the conduct of fantasy contests.

(f) If a licensed operator intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations. The licensed operator may implement the change or

amendment upon receipt of approval or on the 30th calendar day following the filing of a complete submission unless the fantasy contest licensee receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

(g) If during the 30-day review period in subsection (f), the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of fantasy contests or the control of revenue generated from fantasy contests, the Bureau of Gaming Operations, by written notice to the licensed operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in subsection (f) be tolled and that any internal controls at issue not be implemented until approved under subsection (i).

(h) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of fantasy contests may include, but are not limited to, the following:

(1) Submissions that fail to provide information sufficient to permit the review of fantasy contests.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this part.

(i) Whenever a change or amendment has been tolled under subsection (g), the licensed operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The licensed operator may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the licensed operator receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

Chapter 1207. ADVERTISING - TEMPORARY REGULATIONS

§ 1207.1. Fantasy contest advertising.

(a) Advertisements related to fantasy contests used by a licensed operator through any form of media, internet application or fantasy contest terminal or its agent may not:

(1) Contain false or misleading information. An advertisement will be considered misleading if it makes representations about average winnings without equally prominently representing the average net winnings of all players and that not all players will achieve the results referenced.

(2) Portray play by minors (other than professional athletes who may be minors), students, schools or colleges or their settings.

(3) Represent endorsements by minors, college athletes, colleges, or college athletic associations.

(4) Appear in a publication that is aimed exclusively or primarily at minors, or individuals attending an elementary or secondary school or such school-related event.

(5) Fail to disclose conditions or limiting factors associated with the advertisement.

(b) A licensed operator shall not directly market to a person while they are on the Board's fantasy contest self-exclusion list.

(c) A licensed operator or fantasy contest terminal operator or its agent shall discontinue as expeditiously as possible the use of a particular advertisement in Pennsylvania

or directed to Pennsylvania residents upon receipt of written notice that the Board's Office of Compulsive and Problem Gaming has determined that the use of the particular advertisement in this Commonwealth could adversely impact the public or the integrity of fantasy gaming.

**Chapter 1208. COMPULSIVE AND PROBLEM GAMING - TEMPORARY
REGULATIONS**

§ 1208.1. Signage requirements.

(a) A fantasy contest licensee shall conspicuously post notices on the licensee's website, including on the account registration and access page, a statement providing the following: "If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER)."

(b) The operator of any fantasy contest terminal shall conspicuously post notice on the front of the fantasy contest terminal and notices on the opening screen and on an account registration or access screen, if applicable, a statement providing the following: "If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER)."

§ 1208.2. Problem gambling information.

A licensed operator shall make available through its website, a Responsible Gaming page, as approved by OCPG, containing links to compulsive and problem gaming treatment

information and provider sites and materials provided by the Board's OCPG regarding compulsive and problem gaming in a .pdf format which can be viewed and downloaded and printed by an individual.

Chapter 1209. SELF-EXCLUSION - TEMPORARY REGULATIONS

§ 1209.1. Self-exclusion definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Fantasy contest activity – The play of fantasy contests at any location within the Commonwealth of Pennsylvania.

Fantasy contest related activity – An activity related to the play of fantasy contests including creating a player account, funding a player account, or withdrawing funds on account.

Fantasy contest self-excluded person – A person whose name and identifying information is included, at the person's own request, on the fantasy contest self-exclusion list maintained by the Board.

Fantasy contest self-exclusion list – A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to be excluded from the conduct of fantasy contests for a period of time as selected by the person.

Winnings – Any money or thing of value received from, or owed by, a fantasy contest licensee as a result of a fully executed fantasy contest transaction.

§ 1209.2. Self-exclusion procedure.

(a) A person may request to be self-excluded from fantasy contest activities within this Commonwealth.

(b) A person requesting self-exclusion must complete a form approved by the Board for the purpose of self-excluding from fantasy contests and fantasy contest related activity and which is available on the fantasy contest licensee's website which provides for the following:

(1) Provide the individual's complete name including any aliases or nicknames, current address, telephone number(s), email address(s), age, date of birth, State of issue of driver's license and driver's license number.

(2) Identify the period-of-time in years for which the individual seeks to self-exclude. In no circumstances, may the period of time for fantasy contest self-exclusion be less than one year.

(3) Agrees that, during any period of voluntary self-exclusion, the person may not collect any winnings or recover any losses resulting from any fantasy contest activity.

(4) Agrees to release, indemnify, hold harmless and forever discharge this Commonwealth, the Board and all fantasy

contest licensees from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the fantasy contest self-excluded person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of a fantasy contest licensee to withhold fantasy contest privileges from or restore fantasy contest privileges to a fantasy contest self-excluded person.

(ii) Otherwise permitting or not permitting a fantasy contest self-excluded person to engage in fantasy contest activity while on the list of fantasy contest self-excluded persons.

(iii) Confiscation of the individual's winnings.

(5) Agrees to other conditions established by the Board.

(c) Forms to be used to request placement on the fantasy contest self-exclusion list shall be available on the Responsible Gaming page of each fantasy contest licensed operator's website and on the Board's website.

§ 1209.3. Fantasy contest self-exclusion list.

(a) The Board will maintain the official fantasy contest self-exclusion list and provide access to an updated fantasy contest self-exclusion list on a weekly basis to each licensed

operator by transmitting the fantasy contest self-exclusion list electronically to each licensed operator.

(b) The notice provided to licensed operators by the Board will include the following information concerning a person who has been added to the fantasy contest self-exclusion list:

- (1) The individual's complete name including any aliases or nicknames.
- (2) Current address.
- (3) Telephone number(s).
- (4) Email address(s).
- (5) Age.
- (6) Date of birth.
- (7) State of issue of driver's license and driver's license number.

(c) A licensed operator shall establish procedures to ensure that its data base of self-excluded persons is updated to correspond with the Board's current fantasy contest self-exclusion list.

(d) A licensed operator shall maintain a copy of the fantasy contest self-exclusion list and establish procedures to ensure that all appropriate employees and agents of the licensed operator are notified of the updated self-exclusion list within 5 business days after the day notice is transmitted electronically to each fantasy contest license.

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter and 4 Pa.C.S. § 325(6) (ii).

(f) Except as provided in 4 Pa.C.S. § 325(6) (ii), licensed operators and employees or agents thereof may not disclose the name of, or any information about, a person who has requested fantasy contest self-exclusion to anyone other than employees and agents of the licensed operator whose duties and functions require access to the information.

(g) A fantasy contest self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the fantasy contest self-exclusion list.

(h) Winnings incurred by a fantasy contest self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to, or redeemed by a fantasy contest self-excluded person shall be presumed to constitute winnings subject to remittance to the Board.

§ 1209.4. Duties of fantasy contest licensees.

(a) A fantasy contest licensee shall:

(1) Deny fantasy contest related activities to a fantasy contest self-excluded person.

(2) Ensure that a fantasy contest self-excluded persons may not establish an account or deposit money in an established account while the person is on the fantasy contest self-exclusion list.

(3) Retain a record of any attempts of a fantasy contest self-excluded person to engage in fantasy contest related activity and to provide the record to OCPG in a form and manner as approved by the OCPG. The record shall include the name of the self-excluded person, the date of the occurrence and a description of the attempted fantasy contest related activity.

(4) Notify the OCPG within 24 hours of identifying that an individual on the self-exclusion list has gained access to the individual's account or has entered a fantasy contest.

(5) Make available to patrons, materials explaining the fantasy contest self-exclusion program.

(b) The list of video gaming self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of the act.

§ 1209.5. Removal from fantasy contest self-exclusion list.

An individual who has elected to self-exclude from fantasy contest related activity, shall remain on the self-exclusion list for the duration of the period selected and shall be

removed from the fantasy contest self-exclusion list only upon the conclusion of the period of self-exclusion.