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NOTICE TO LICENSEES

Notice # 2015-99

Issuing Division: Board Chairman

DATE: OCTOBER 15, 2015

TO: ALL LICENSEES AND INTERESTED PARTIES

FROM: A.G. BURNETT, CHAIRMAN *Agg*

SUBJECT: LEGALITY OF OFFERING DAILY FANTASY SPORTS IN NEVADA

Over the last several months, Nevada Gaming Control Board (Board) staff has analyzed the legality of pay-to-play daily fantasy sports (DFS) pursuant to the Nevada Gaming Control Act and the regulations adopted thereunder. I further asked the Gaming Division of the Office of the Nevada Attorney General to perform a legal analysis as to whether DFS activities conflict in any way with Nevada law. Based on these analyses, I, along with Board staff, have concluded that DFS constitutes gambling under Nevada law. More specifically, DFS meets the definition of a game or gambling game pursuant to Chapter 463 of the Nevada Revised Statutes. Moreover, because DFS involves wagering on the collective performance of individuals participating in sporting events, under current law, regulation and approvals, in order to lawfully expose DFS for play within the State of Nevada, a person must possess a license to operate a sports pool issued by the Nevada Gaming Commission. Further, a licensed operator who offers DFS must comply with all laws and regulations that apply to licensed sports pools.

Therefore, since offering DFS in Nevada is illegal without the appropriate license, all unlicensed activities must cease and desist from the date of this Notice until such time as either the Nevada Revised Statutes are changed or until such entities file for and obtain the requisite licenses to engage in said activity. Although Nevada gaming licensees who have received approval to operate a sports pool may expose DFS for play themselves in Nevada (in compliance with all applicable statutes and regulations), such licensees should exercise discretion in participating in business associations with DFS operators that have not obtained Nevada gaming approvals. While this Industry Notice is intended to provide clear guidance as to Nevada law, Nevada licensees wishing to conduct business with DFS companies should also conduct thorough and objective reviews of DFS activities under the laws of other states and any applicable federal laws.