

**ORDER 2023-28
IN RE SETTLEMENT AGREEMENT**

**POINTSBET INDIANA, LLC
d/b/a POINTSBET
23-PB-01**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVED

APPROVES OR DISAPPROVES

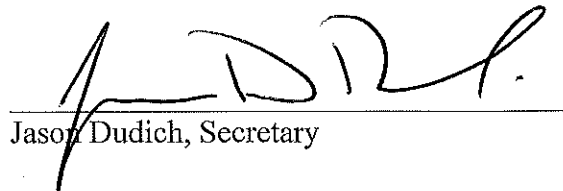
the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 9th DAY OF MARCH, 2023.

THE INDIANA GAMING COMMISSION:


Milton Thompson, Chair

ATTEST:


Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
POINTSBET INDIANA, LLC)	23-PB-01
d/b/a POINTSBET)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and PointsBet Indiana, LLC d/b/a PointsBet ("PointsBet"), (collectively, the "Parties") desire to enter into this settlement agreement ("Agreement") prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. 68 IAC 27-2-16(a) provides all key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.
2. 68 IAC 27-2-16(d) provides except as outlined in this section, occupational licensing of an employee, independent contractor, agent, or subagent of a sports wagering operator shall be governed by IC 4-33-8 and 68 IAC 2-3.
3. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.
4. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
5. On December 21, 2020, the Commission issued a directive to all Sports Wagering Operators on Sports Wagering Occupational Licensing that outlined the requirements for occupational licensing for Sports Wagering Operators.
6. On June 3, 2022, PointsBet's Licensing Officer advised the Commission that a new individual would be assuming the role of the Chief Technology Officer ("CTO") as of July 18, 2022.

7. On June 6, 2022, the Commission advised PointsBet that the PDI was due on August 18, 2022. PointsBet confirmed receipt of the email and due date.
8. On August 17, 2022, PointsBet submitted the electronic application for the CTO.
9. On August 18, 2022, the Commission advised PointsBet that there were issues with the PDI. Commission staff and PointsBet went back and forth about the requirement for the CTO to submit a police check directly from the country he had been residing in 50% of the time before the month he submitted his PDI.
10. On September 7, 2022, PointsBet advised that they would request a United Kingdom criminal check from a government agency. PointsBet had previously submitted a check from a paid service, however, the Commission does not accept such requests without a request for approval and extenuating circumstances, which PointsBet and the CTO was not able to provide. Additionally, the other checks were acceptable because through Australia, they have a separate check and balance in place with the program that the United Kingdom/Isle of Man does not have.
11. On October 6, 2022, the Commission requested a follow up on the required information.
12. On October 7, 2022, PointsBet requested the Commission to accept the paid check again. The Commission once again denied this request with the same reasons as before. The Commission advised PointsBet that the CTO does not hold a license in Indiana and should not be involved in any activity or decisions over Indiana operations.
13. On October 28, 2022, the Commission requested a follow up on the required information. PointsBet stated that the CTO is now only a US resident and no longer has property in the Isle of Man. PointsBet then requested if the CTO could be exempt from obtaining the clearance.
14. On October 31, 2022, the Commission advised PointsBet that the clearance was still needed.
15. On November 1, 2022, PointsBet provided that they would get a background check completed and provided a November 2021 check that had been completed in the United Kingdom.
16. On November 3, 2022, the Commission advised PointsBet that the old check would be sufficient to issue a temporary license as long as the check was submitted for the more recent time. The Commission also requested updates for other deficiencies identified with the PDI.
17. On November 11, 2022, PointsBet advised the deficiencies had been updated and were able to be downloaded.
18. On November 18, 2022, the Commission issued a temporary license to the CTO.

19. On November 30, 2022, PointsBet submitted the police check as required by the Commission.
20. The PD1 was due on August 18, 2022. PointsBet did not request any extensions. The Commission did not receive the completed PD1 until November 11, 2022, approximately eighty-five (85) days late.

COUNT II

21. 68 IAC 27-2-16(a) provides all key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.
22. 68 IAC 27-2-16(d) provides except as outlined in this section, occupational licensing of an employee, independent contractor, agent, or subagent of a sports wagering operator shall be governed by IC 4-33-8 and 68 IAC 2-3.
23. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.
24. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
25. On December 21, 2020, the Commission issued a directive to all Sports Wagering Operators on Sports Wagering Occupational Licensing that outlined the requirements for occupational licensing for Sports Wagering Operators.
26. On August 26, 2022, PointsBet appointed a new Senior Director - Compliance & Legal Affairs. The PD1 for the new appointee was due on September 26, 2022.
27. On November 15, 2022, the Commission requested an update on the submission of the PD1. PointsBet advised that the PD1 should be submitted that week. The Commission reminded PointsBet of the due date. PointsBet provided that they were unaware of the deadline and that an extension request should have been submitted. The Commission did not receive an extension request from PointsBet. PointsBet submitted the PD1 application electronically and advised that fingerprints would be sent.
28. On December 1, 2022, the Commission requested an update on payment for PD1. PointsBet subsequently submitted the payment information, and the Commission issued a temporary license to the Senior Director – Compliance & Legal Affairs.

29. The PD1 was due on September 26, 2022, however, PointsBet did not provide the full and complete PD1 until December 1, 2022, approximately sixty-six (66) days late.

COUNT III

30. 68 IAC 27-2-16(a) provides all key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.
31. 68 IAC 27-2-16(d) provides except as outlined in this section, occupational licensing of an employee, independent contractor, agent, or subagent of a sports wagering operator shall be governed by IC 4-33-8 and 68 IAC 2-3.
32. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.
33. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
34. On December 21, 2020, the Commission issued a directive to all Sports Wagering Operators on Sports Wagering Occupational Licensing that outlined the requirements for occupational licensing for Sports Wagering Operators.
35. On September 20, 2021, PointsBet appointed a new Head of Trading, Europe. This position required a level one license with the Commission. Therefore, the PD1 was due on October 20, 2021.
36. On November 18, 2021, the Head of Trading, Europe submitted a PD2, a level two license application.
37. On December 30, 2021, the Commission advised PointsBet that the Head of Trading, Europe was a level one license job title per the Commission's Gaming Entity Licensing Guidance policy.
38. On January 18, 2022, PointsBet responded that the Head of Trading, Europe was currently working on the PD1.
39. On October 6, 2022, PointsBet reached out to inquire about the Head of Trading, Europe's application status. The Commission responded and advised PointsBet that the last communication the Commission had received was that the Head of Trading, Europe was working on his PD1.

40. On November 15, 2022, PointsBet requested an extension, however, the PD1's due date had already passed, so an extension could not be granted.
41. On December 5, 2022, PointsBet submitted the PD1, approximately 411 days late.
42. On December 16, 2022, the Head of Trading, Europe was issued a temporary license with the Commission.

COUNT IV

43. 68 IAC 27-2-16(a) provides all key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.
44. 68 IAC 27-2-16(d) provides except as outlined in this section, occupational licensing of an employee, independent contractor, agent, or subagent of a sports wagering operator shall be governed by IC 4-33-8 and 68 IAC 2-3.
45. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.
46. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
47. On December 21, 2020, the Commission issued a directive to all Sports Wagering Operators on Sports Wagering Occupational Licensing that outlined the requirements for occupational licensing for Sports Wagering Operators.
48. On May 2, 2022, PointsBet appointed a new Head of Trading, Australia. This position required a level one license with the Commission. Therefore, the PD1 was due on June 2, 2022.
49. On November 15, 2022, PointsBet requested an extension, however, the PD1's due date had already passed, so an extension could not be granted.
50. On November 21, 2022, the Commission received the PD1, approximately 172 days late.
51. On December 16, 2022, the Head of Trading, Australia was issued a temporary license with the Commission.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of PointsBet by and through its agents as described herein constitute a breach of IC 4-38, 68 IAC, and/or PointsBet's approved internal control procedures. The Commission and PointsBet hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against PointsBet.

PointsBet shall pay to the Commission a total of \$13,000 (\$3,000 for Count I, \$3,000 for Count II, \$4,000 for Count III and \$3,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, PointsBet agrees to promptly remit payment in the amount of \$13,000 and shall waive all rights to further administrative or judicial review.

This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and PointsBet.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Greg Small
Greg Small, Executive Director
Indiana Gaming Commission

3/7/2023
Date

Rachel Kasper
Rachel Kasper, Vice President Legal,
Compliance & Licensing - US
PointsBet Indiana, LLC d/b/a PointsBet

February 27, 2023
Date