



Staff Proposed Rule-Making

WAC 230-03-408- Applying for sports wagering preclicensing qualification.

February 2021 – Final Action
January 2021 – Discussion & Possible Filing
July 2020 – Initiated Rule-Making

Tab 1: FEBRUARY 2021 Commission Meeting Agenda. Statutory Authority RCW 9.46.070, RCW 9.46.130, RCW 9.46.210, RCW 9.46.240, and any uncodified provisions in 2020 c 127 (HB 2638)

Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

Bold = Changes made after January 2021 Commission Meeting.

At the July 2020 meeting, Commissioners initiated rule-making to adopt new rules and amend current rules to implement the new sports wagering law, including creating a new state regulatory structure to cover all aspects of sports wagering consistent with any new tribal-state wagering compact amendments.

At the January 2021 meeting, Commissioners approved the filing of draft language for further discussion to begin the sports wagering pre-licensing investigation process prior to the adoption of final sports wagering licensing rules. The draft language was filed after the meeting and published on February 3, 2021.

Commission staff received some technical feedback on the published rule language and incorporated that feedback into the final rule language before you today for final action. These changes are only technical in nature and include using the term “pre-licensing investigation” instead of “pre-licensing qualification” and the term “letter” was removed to allow the agency flexibility in how it informs applicants about the final status of their pre-licensing investigation application.

On March 25, 2020, Governor Jay Inslee signed [House Bill 2638](#) that authorizes sports wagering for Class III tribal facilities under terms negotiated in tribal-state compacts. It also adds or amends several criminal, regulatory, and licensing statutes in the Gambling Act and gives the Gambling Commission authority to adopt or amend any rules needed for the regulation of sports wagering.

Agency staff has begun internal work in preparation for tribal-state compact negotiations and would also like to begin initial work on any rules needed for sports wagering. New rules will need to be implemented before Class III tribal facilities can offer sports wagering at current Class III tribal facilities.

Attachments:

- WAC 230-03-408
- Stakeholder Feedback

Stakeholder Outreach and Feedback

At our December 2020 Commission Meeting, we announced plans to bring draft preclicensing qualification rules to the Commissioners at the January public meeting. Staff sent the proposed rule language to Tribal representatives and potential sports wagering stakeholders on December 30, 2020 and asked for written feedback by close of business on January 8, 2021 or verbal feedback at our January 14, 2021 public meeting. **Draft language was filed with the Office of the Code Reviser on January 19, 2021 and published in the Washington State Register (WSR 21-03-072). Once published, draft language was posted on the agency website. An email was sent out to all interested stakeholders on January 21, 2021 addressing concerns raised during the public comment period. This same information was posted on the agency website.**

Staff Recommendation

31 days after filing with the Office of the Code Reviser – expected on or about March 29, 2021.

NEW SECTION

WAC 230-03-408 Applying for sports wagering prelicensing investigation. (1) Any individual or organization anticipating applying for a future license to provide equipment and/or services for sports wagering pursuant to a tribal-state compact may apply for a prelicensing investigation.

(2) To apply, the applicant and each substantial interest holder will go through a prelicensing investigation to determine if the applicant and substantial interest holders are initially qualified.

(3) It is the responsibility of each applicant and persons who have a substantial interest therein to establish by clear and convincing evidence the necessary qualifications.

(4) A prelicensing investigation of the applicant includes, but is not limited to:

(a) Identification of all substantial interest holders of the applicant; and

(b) Conducting a criminal history background investigation on all substantial interest holders; and

(c) Verification that cash, goods or services for the startup of the operations or the continuation of the business is from a qualified source; and

(d) Compliance with all other applicable rules and laws.

(5) You are required to complete an online application, submit any required supplemental documentation, and submit a five thousand dollar deposit for us to begin the prelicensing investigation process.

(6) We may request additional information during our prelicensing investigation. All work will stop until we receive the requested information. You must provide us with the required items within thirty days of notification or we will administratively close your prelicensing application.

(7) You must pay all costs associated with the prelicensing investigation.

(a) We will give you an estimate of the anticipated costs based on the information we have received at that time.

(b) You will be asked to pay the additional deposit to cover the anticipated costs, such as staff time to conduct the prelicensing investigation, travel time, and travel costs.

(c) We may amend our estimate during our prelicensing investigation process.

(d) You will have thirty days to submit any additional balance requested. We will not work on the application until we have received all funds requested. Failure to pay the balance within the required time frame will result in administrative closure of the application and all unused funds will be refunded.

(e) We will stop the prelicensing investigation process if the cost of our investigation exceeds the balance and request additional funds to cover the anticipated costs to continue our investigation. We will resume work upon receipt of the requested deposit to cover anticipated costs to complete the investigation.

(f) Any unused funds will be refunded.

(g) We will retain funds to cover all costs incurred if you withdraw your application or if your application is denied.

(8) Upon completion of a prelicensing investigation, a determination regarding an applicant's qualification will be made. Applicants who are qualified will receive a prelicensing investigation approval

from us stating the determination is made based on the information and representations made by the applicant up to that date.

(9) Applicants are required to provide notice of any changes to the organization or substantial interest holders after a prelicensing investigation approval has been issued and will be required to pay for any additional investigation costs.

(10) A prelicensing investigation approval is not a sports wagering license. You must apply for a sports wagering license once a sports wagering tribal-state compact(s) and future licensing rules are effective.

(11) Prelicensing investigation approval will be valid for one year from the date of issuance. The term of this approval can be extended by the director or designee if the year term is about to expire and sports wagering licensing rules are not in effect.

(12) Applicants who are determined to be unqualified to receive a prelicensing investigation approval will be given the following options:

(a) Have thirty days to correct the issue that keeps them from being qualified; or

(b) Withdraw their application; or

(c) Receive an application denial.

From: [Considine, Brian \(GMB\)](#)
To: [Aubrey Seffernick](#)
Cc: [Lies, Julie \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Draft Pre-licensing Qualification Rules
Date: Tuesday, January 5, 2021 9:35:54 AM
Attachments: [image003.png](#)
[image005.png](#)

Hi Aubrey,

On January 14th, the Commissioners have before them on January 14th can approve/not approve to file the proposed rule language for further public comment and review. If approved, the Commissioners will likely look to set a special commission meeting at the end of February to approve the final rule language.

However, we are looking for any written or public testimony comments between now and January 14th or at the January 14th public meeting because any changes after January 14th would likely require us to delay final approval by at least 30-45 days.

Please let me know if you have any further questions.

Thank you,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Aubrey Seffernick <ASeffernick@kalispeltribe.com>
Sent: Tuesday, January 5, 2021 9:19 AM
To: Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>; Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: RE: Draft Pre-licensing Qualification Rules

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The attached just up for filing correct? Or for actual approval next week?

Aubrey Seffernick
Attorney

Kalispel Tribe of Indians
509.789.7606 Office

509.344.9940 Cell

aseffernick@kalispeltribe.com

kalispeltribe.com | [Facebook](#)



CONFIDENTIAL COMMUNICATION: Attorney-Client Privileges Apply. Attorney Work Product Privileges Apply. Do Not Forward Without Written Permission.

From: Rancour, Michelle (GMB) <michelle.rancour@wsgc.wa.gov> **On Behalf Of** Lies, Julie (GMB)
Sent: Wednesday, December 30, 2020 4:34 PM
To: Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: [EXTERNAL] FW: Draft Pre-licensing Qualification Rules

CAUTION: This email originated from outside of the company. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

You are receiving this email because the Washington State Gambling Commission (WSGC) has identified you and/or your organization as a stakeholder for our sports wagering rule-making.

Please find the attached draft proposed sports wagering pre-licensing qualification rules. WSGC staff intends to bring the proposed draft rules to our Commissioners at our [January 14, 2021 public meeting](#) for the Commissioners' review and approval.

Staff requests your input and please provide any questions, comments or suggested edits to me (Brian.considine@wsgc.wa.gov) and our Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov) by Friday, January 8 at 5pm.

These rules are meant to authorize the agency's pre-licensing investigation process for future sports wagering licenses. Our agency's goal is to allow individuals/organizations the ability to get a head start on our pre-licensing investigation process through these rules.

However, these rules are not intended to become a sports wagering license or give the person or organization a license at this time. The final draft sports wagering license rules are still part of tribal-state compact negotiations and any final sports wagering license rules will be forthcoming in the next few months.

WSGC staff will review any comments, questions, or suggested edits if submitted by the above-referenced deadline, and all written comments will become part of the rule-making file. You are also welcome to attend our January 14th public meeting and provide public comment

during the public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Please contact me if you have any questions about this process.

Happy Holidays,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 485-8921 (mobile)

Brian.considine@wsgc.wa.gov



From: [Harold Chesnin](#)
To: [Rancour, Michelle \(GMB\)](#); [Harold Chesnin](#); [Jeff Warnke](#); [Jones, Darrin \(GMB\)](#); [Janessa Bumgarner](#)
Cc: [Considine, Brian \(GMB\)](#); [Lies, Julie \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Draft Pre-licensing Qualification Rules
Date: Tuesday, January 5, 2021 10:12:51 AM
Attachments: [image002.png](#)
[image004.png](#)
Importance: High

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My comments:

1. This proposed language should be clearer in subparagraph 1 that it is for supplying the equipment and / or services for and to tribally compacted tribes only. The language is sufficiently vague in #1 so as to appear to authorize providing equipment or service to other than tribally compacted tribes might be an available pre-licensing possibility.
2. Are we returning to the 90's where neither the State nor the Tribe's had a lot of experience with potential Management Companies? The Tribes have a lot more experience in evaluating potential participants. I understood back then why the State didn't want to rely on other States' certifications, but I think that if the industry and sophistication of certain other agencies – read Nevada Gaming Agency and NJ – would have vetted both the individual and / or organization and the nature of the equipment (does this go thru GLI?) such that WA doesn't need to reinvent the wheel. If certain reliable agencies have already done the work then why does WA need to do this? (this smacks now of WSCG budget assistance on the one hand and / or slowing tribes down on the other hand).
3. Even back in the 90's, the State's backgrounding was advisory to a compacted tribe. This section implies that the State can reject on its own and without, at a minimum, consultation with the affected tribe.
4. As to #2 above, at least the State could establish a list of reliable individuals / organizations and equipment that have been sufficiently vetted by such agencies and only if you are not on the list, then apply the terms of WAC 230-03-408.

Harry

From: Rancour, Michelle (GMB) <michelle.rancour@wsgc.wa.gov>
Sent: Tuesday, January 5, 2021 9:41 AM
To: Harold Chesnin <hchesnin@chehalistribe.org>
Cc: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: FW: Draft Pre-licensing Qualification Rules

Dear Harry,

Here's the email we forwarded last week along with the attached draft rules.

If you have any questions, please let us know.

Thank you,

Michelle Rancour

Assistant to Tribal Liaison
Safety Team Member
CFD Chair
WA State Gambling Commission
(360) 486-3447



From: Rancour, Michelle (GMB) **On Behalf Of** Lies, Julie (GMB)
Sent: Wednesday, December 30, 2020 4:34 PM
To: Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: FW: Draft Pre-licensing Qualification Rules

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Staff requests your input and please provide any questions, comments or suggested edits to me (Brian.considine@wsgc.wa.gov) and our Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov) by Friday, January 8 at 5pm.

These rules are meant to authorize the agency's pre-licensing investigation process for future sports wagering licenses. Our agency's goal is to allow individuals/organizations the ability to get a head start on our pre-licensing investigation process through these rules.

However, these rules are not intended to become a sports wagering license or give the person or organization a license at this time. The final draft sports wagering license rules are still part of tribal-state compact negotiations and any final sports wagering license rules will be forthcoming in the next few months.

WSGC staff will review any comments, questions, or suggested edits if submitted by the

above-referenced deadline, and all written comments will become part of the rule-making file. You are also welcome to attend our January 14th public meeting and provide public comment during the public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Please contact me if you have any questions about this process.

Happy Holidays,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: [Rivera, Fred /SEA](#)
To: [Considine, Brian \(GMB\)](#)
Cc: [Laydon, Ashlie \(GMB\)](#); [Amber Carter](#)
Subject: RE: Draft Pre-licensing Qualification Rules
Date: Wednesday, January 6, 2021 4:30:59 PM
Attachments: [image002.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)
[image009.png](#)
[image010.png](#)
[image011.png](#)

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Thank you, Brian. This is very helpful.

From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Sent: Wednesday, January 6, 2021 2:23 PM
To: Rivera, Fred /SEA <frivera@mariners.com>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Amber Carter <amber.carter@comcast.net>
Subject: RE: Draft Pre-licensing Qualification Rules

Hi Fred,

Thank you for your email and happy to provide some answers (hopefully).

We do have “substantial interest holder” defined in rule in [WAC 230-03-045](#). Generally, it is a person or entity that has influence or control over a potential gambling licensee. We do not have a definition for “services for sports wagering” at this time because the substance and scope of our licensing structure is still being negotiated.

However, the primary focus for these rules is to extend our authority to allow for the pre-licensing investigation process for sports wagering companies—BetMGM, DraftKing, William Hill, Sportradar, etc, if they wish to start early. Once available, these companies can submit applications and be given a chance to go through our pre-licensing investigation process while we continue to negotiate the parameters for a full set of licensing rules since the pre-licensing process can typically take a minimum of 60-90 days.

We were not anticipating that local professional teams like the Seattle Mariners would need to go through this process and, as of now, do not anticipate there being a requirement that teams or leagues providing the event being bet on to be licensed unless there is some connection to the operation of a sportsbook or equipment/services provider. Being a team that is part of the event being bet on has not typically required licensing and I do not expect it to be part of our system when we have final terms negotiated.

Also, this pre-licensing process will likely will be part of the final licensing rules so

companies/organizations can enter it at a later date once the full set of rules are available and there is more clarity about who it will cover.

Unfortunately, I cannot provide a more definitive answer at this time because things are still being negotiated. However, I hope this information is helpful and please let me know if you have any additional questions or prefer to set up a short phone call to talk this over.

Thank you Fred and I hope you and your family are well and having a good 2021 so far.

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Rivera, Fred /SEA <frivera@mariners.com>
Sent: Wednesday, January 6, 2021 1:26 PM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Amber Carter <amber.carter@comcast.net>
Subject: RE: Draft Pre-licensing Qualification Rules

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Brian and Ashlie,

First, Happy New Year—I hope you had a nice Holiday.

I have two questions:

1. Is there a definition of “substantial interest holder” as used throughout the proposed rule?
2. Is there a definition of “services for sports wagering” as used in Section (1)?

These questions arise, in part, to seek confirmation that an entity providing competitive gaming events that may be the subject of sports wagering (like the Seattle Mariners) is not subject to licensing requirements.

Thank you.

Fred



FRED RIVERA

Executive Vice President & General Counsel

Seattle Mariners

p (206) 346-4154 | c (206) 883-7311

T-Mobile Park - 1250 1st Ave S Seattle, WA 98134



From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>

Sent: Wednesday, December 30, 2020 3:09 PM

Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Sizemore, Bud (GMB) <bud.sizemore@wsgc.wa.gov>; Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>

Subject: Draft Pre-licensing Qualification Rules

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Staff requests your input and please provide any questions, comments or suggested edits to me (Brian.considine@wsgc.wa.gov) and our Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov) by Monday, January 8 at 5pm.

These rules are meant to authorize the agency's pre-licensing investigation process for future sports wagering licenses. Our agency's goal is to allow individuals/organizations the ability to get a head start on our pre-licensing investigation process through these rules.

However, these rules are not intended to become a sports wagering license or give the person or organization a license at this time. The final draft sports wagering license rules are still part of tribal-state compact negotiations and any final sports wagering license rules will be forthcoming in the next few months.

WSGC staff will review any comments, questions, or suggested edits if submitted by the above-referenced deadline, and all written comments will become part of the rule-making file. You are also welcome to attend our January 14th public meeting and provide public comment during the public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Please contact me if you have any questions about this process.

Happy Holidays,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: [Considine, Brian \(GMB\)](#)
To: [Tommaso Di Chio](#)
Cc: [Sarah Maile](#); [Sam Al-Ani](#); [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Sports Wagering Update - pre-licensing rules review
Date: Friday, February 5, 2021 11:53:10 AM
Attachments: [image002.png](#)
[image004.png](#)

Hi Tommaso,

I appreciate your understanding and it has been a much busier few weeks now that my state legislature is in session.

Here are the answers I received from my licensing director for the three questions I said I would get back to you on:

Will the applications need to be notarised before applications can be submitted or will e-signatures be acceptable considering the current climate? **No notary required- these are online applications with an electronic attestation from the highest ranking officer of the organization**

Will fingerprints need to be submitted as part of the pre-licencing qualification process? **Yes- fingerprints will be required as part of the process for those who can submit; if there are restrictions from the ability to submit FPC's during the pre-licensing process (COVID restrictions), this will something that will likely need to be address when submitting a license application once final rules are in place.**

The Commission has stated it has a 30 day turn around on payments, please confirm which payment methods will be acceptable throughout the application process? **Payments can be submitted online through an ACH debit process (electronic check) or paper checks can be sent through the mail (no ACH credit or credit card options- and money must be paid in US currency).**

I hope these are helpful answers and please let me know if you have any additional questions or concerns.

Thank you,

Brian

Brian J. Considine
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Brian.considine@wsgc.wa.gov



From: Tommaso Di Chio <Tommaso.DiChio@kambi.com>

Sent: Friday, February 5, 2021 7:53 AM

To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Cc: Sarah Maile <Sarah.Maile@kambi.com>; Sam Al-Ani <Sam.Al-Ani@kambi.com>

Subject: RE: Sports Wagering Update - pre-licensing rules review

External Email

Many thanks Brian for taking the time for considering our questions, and no worries at all: the last few weeks must have been quite intense.

I'll review your answers and let you know if we have further comments.

Thanks,

Kind regards,
Tommaso Di Chio
Associate General Counsel
Mobile: +44(0)7860188876

From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>

Sent: 05 February 2021 15:48

To: Tommaso Di Chio <Tommaso.DiChio@kambi.com>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Cc: Sarah Maile <Sarah.Maile@kambi.com>; Sam Al-Ani <Sam.Al-Ani@kambi.com>

Subject: RE: Sports Wagering Update - pre-licensing rules review

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Hi Tommaso,

My apologies for taking so long to respond to your questions. I hope the information I've previously sent out to all interested parties was of some help. As of now, it does appear we are on track to finalize pre-licensing investigation rules at a special meeting on February 24, 2021. The time is still to be determined, but likely in the afternoon pacific time.

I've tried to answer your questions below, but please feel free to follow-up if you need additional clarification or have new questions. I can also refer you to my Licensing Director for any follow-up, if needed, since she and her unit regularly handle these types of investigations and are currently staffing up for this process.

Questions for the Commission:

1. The draft rules state that applications will need to be completed by all "substantial interest

holders". Please confirm what the criteria are for interest holders to fall under this scope.

Answer: I previously sent out information related to our current rule [WAC 230-03-045](#), and information on how we handle passive investors. Please let me know if you need any additional information on these at this time. Generally, the application will request certain information and the level of scrutiny of interest holders/investors will be dictated by the information provided on the application or follow-up questions from licensing staff.

2. Please confirm when sample application forms will be available for review

Answer: We will not be sending out a sample, but expect to have the online application active on our website on February 26th or March 1st at the latest if my Commissioners vote to file the final proposed pre-licensing investigation rules at their special meeting on February 24th. However, we do have application information for current license classes on our website [here](#) and I expect the information required and format of the application to be similar since we're simply transferring our current process to this pre-licensing investigation rule.

3. Please confirm whether 3rd party suppliers such as sports data feed providers will also need to complete the process.

Answer: The final licensing classes are still under negotiations, which makes things difficult to say for certain and I know that is frustrating. However, all organizations that provide gambling-related services for sports wagering will likely be expected to be licensed at some level. Thus, we recommend anyone in your supply chain that is licensed in other states to apply, and this would include data providers.

4. Will the applications need to be notarised before applications can be submitted or will e-signatures be acceptable considering the current climate?

Answer: I'm waiting for Licensing staff to give me a definitive answer on this question and will hopefully have an answer to you soon.

5. Will fingerprints need to be submitted as part of the pre-licencing qualification process?

Answer: Yes, they will likely be required consistent with our pre-licensing requirements for all other gambling activities. However, I am checking with my Licensing staff and will hopefully have a final answer to you soon.

6. The Commission has stated it has a 30 day turn around on payments, please confirm which payment methods will be acceptable throughout the application process.

Answer: We utilize a secure online portal for our licenses and I expect that to be utilized for this process and typical forms of payment can be submitted electronically through the portal. However, I will follow-up with staff and will hopefully have a final answer to you soon.

7. The Commission has stated that if requested information is not provided within 30 days of notification applications will be automatically closed. Please confirm whether it will be possible to obtain an extension to this timeline as a result of the current pandemic and potential delays caused by having to request documents from foreign bodies/government agencies who are currently taking a lot longer to process requests.

Answer: Yes, we typically work with applicants on timelines and deadlines for submission of information, including providing extensions. As you can appreciate, rules need to have definitive guidelines for staff and applicants, especially if an applicant is unresponsive. However, our goal is to get as many sports wagering organizations into the queue and our system as possible, and licensing staff is very familiar in working with multi-national companies and the additional steps sometimes needed for these companies.

Please let me know if you have any additional questions.

Thank you,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Tommaso Di Chio <Tommaso.DiChio@kambi.com>
Sent: Friday, January 8, 2021 10:33 AM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Cc: Sarah Maile <Sarah.Maile@kambi.com>; Sam Al-Ani <Sam.Al-Ani@kambi.com>
Subject: Sports Wagering Update - pre-licensing rules review

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Good afternoon Brian and Ashlie,

We have reviewed the draft pre-licensing rules released by the Washington State Gaming Commission and have highlight some questions:

Questions for the Commission:

1. The draft rules state that applications will need to be completed by all “substantial interest holders”. Please confirm what the criteria are for interest holders to fall under this scope.
2. Please confirm when sample application forms will be available for review.
3. Please confirm whether 3rd party suppliers such as sports data feed providers will also need to complete the process.
4. Will the applications need to be notarised before applications can be submitted or will e-signatures be acceptable considering the current climate?
5. Will fingerprints need to be submitted as part of the pre-licencing qualification process?
6. The Commission has stated it has a 30 day turn around on payments, please confirm which payment methods will be acceptable throughout the application process.
7. The Commission has stated that if requested information is not provided within 30 days of notification applications will be automatically closed. Please confirm whether it will be possible to obtain an extension to this timeline as a result of the current pandemic and potential delays caused by having to request documents from foreign bodies/government agencies who are currently taking a lot longer to process requests.

Please let me know if you have any query.

Thanks,

Kind regards,
Tommaso Di Chio
Associate General Counsel
Mobile: +44(0)7860188876

From: [Considine, Brian \(GMB\)](#)
To: [Charles Hurt](#); [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Nooksack Comments on Sports Wagering Pre-Licensing Qualification Draft Rule
Date: Monday, January 11, 2021 11:42:10 AM
Attachments: [image002.png](#)
[image004.png](#)

Hi Charles,

Thank you and your public comments were received on Friday. We are taking a look at all public comments later today and will present all public comments to our Commissioners for their review and consideration at our [January 14th public meeting](#). You are also welcome to provide verbal public comment during the rule review during the meeting as well, if desired.

We will also try and follow up in the next week or two on any comments/questions you have indicated in your comments. Thank you again for your comments – we appreciate your participation in this process and please let me know if you have any questions about what might occur this week.

Sincerely,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Charles Hurt <churt@nooksack-nsn.gov>
Sent: Friday, January 8, 2021 2:43 PM
To: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Subject: Nooksack Comments on Sports Wagering Pre-Licensing Qualification Draft Rule

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I attach an email from Katherine Romero, Chair of the Nooksack Business Corporation II, which operates the Nooksack Northwood Crossing Casino, commenting on the draft rule for Sports Wagering Pre-Licensing Qualification. Please feel free to contact me if you have any questions about our position.

“The Board of the Nooksack Business Corporation II (“NBC II”), a wholly owned and chartered corporation of the Nooksack Indian Tribe, and which operates the Nooksack Northwood Crossing

Casino in Everson, Washington, would like to offer the following comments on proposed WAC 230-03-408, governing pre-license qualification for sports wagering. First, the Board notes that several vendors already licensed to provide Class III gaming services or equipment are prepared to offer similar services or equipment for sports wagering and have already undergone stringent licensing qualifications pursuant to WAC 230-03-080 and RCW 9.46.070.

Next, the Board believes that there is not a need for a separate rule for sports wagering pre-license qualification separate and apart from other types of Class III gaming pre-approval. Creating a separate rule could cause confusion and unnecessarily duplicate efforts and expense for vendors that wish to offer both sports wagering and other Class III services or equipment. Rather, the Board recommends that the licensure process for Class III gaming vendors outlined in WAC 230 simply be amended to apply as well to sports wagering. This will have the benefit of making the rules consistent across the entire range of Class III gaming vendors and will aid in speeding the approval process, as all parties will be familiar with the existing rules. This is a simple, elegant fix. Any remaining uncertainties could be resolved in the compacting process, as the only entities currently permitted to operate sports wagering in the State are compacting tribes.

We want to thank you for this opportunity to comment on the draft rule for pre-licensing qualification for sports wagering. If you have any questions about our position or require additional information, please contact Senior Tribal Attorney Charles N. Hurt, Jr., at churt@nooksack-nsn.gov or (360) 592-4158.

Sincerely,

Katherine Romero, Chair
Nooksack Business Corporation II"

Charles N. Hurt, Jr.
Senior Tribal Attorney
Office of Tribal Attorney
Nooksack Indian Tribe
5047 Mt. Baker Hwy, PO Box 63
Deming, WA 98244
phone: (360)592-4158
fax: (360)592-2227
churt@nooksack-nsn.gov

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From: [Considine, Brian \(GMB\)](#)
To: [Cory Fox](#); [Andrew Winchell](#)
Cc: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: FanDuel Comment Letter on Proposed Pre-Licensing Rule
Date: Monday, January 11, 2021 12:16:13 PM
Attachments: [image007.png](#)
[image009.png](#)
[image011.png](#)
[image013.png](#)
[image014.png](#)

Hi Cory,

My apologies for the confusion – and please continue to ask questions as we go along.

There is no timeline at this time for the more substantive set of licensing and regulatory rules because those more substantive policies/provisions are still being negotiated with Tribes.

These pre-licensing investigation rules are being put forward because this process, much like in many other states, will happen in some manner regardless of the final set of licensing classes so trying to get a head start where we can.

Thank you and please let me know if you have any additional questions.

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Cory Fox <cory.fox@fanduel.com>
Sent: Monday, January 11, 2021 11:49 AM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Andrew Winchell <Andrew.Winchell@fanduel.com>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: Re: FanDuel Comment Letter on Proposed Pre-Licensing Rule

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Thanks, Brian. With apologies if I should know this, is there timing we should expect for the rest of the draft rules (covering substantive sports wagering issues) to be issued?

From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Date: Monday, January 11, 2021 at 2:43 PM

To: Andrew Winchell <Andrew.Winchell@fanduel.com>
Cc: Cory Fox <cory.fox@fanduel.com>, Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: RE: FanDuel Comment Letter on Proposed Pre-Licensing Rule

Hi Andrew,

Thank you and your public comments were received on Friday. We are taking a look at all public comments later today and will present all public comments to our Commissioners for their review and consideration at our [January 14th public meeting](#). You are also welcome to provide verbal public comment during the rule review during the meeting as well, if desired.

We will also try and follow up in the next week or two on any comments/questions you have indicated in your comments. These are draft rules and the final rules, if these are approved on Thursday, won't be up for consideration until the end of February, at the earliest. So, there is still time to discuss what this will look like and continue to answer questions if these move forward.

Thank you again for your comments – we appreciate your participation in this process and please let me know if you have any questions about what might occur this week.

Sincerely,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Andrew Winchell <Andrew.Winchell@fanduel.com>
Sent: Friday, January 8, 2021 1:32 PM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Cc: Cory Fox <cory.fox@fanduel.com>
Subject: FanDuel Comment Letter on Proposed Pre-Licensing Rule

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Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

Attached please find FanDuel's comments regarding the proposed pre-licensing rule. Please let me know if you have any questions or need any additional information from us regarding our comments.

Sincerely,

Andrew J. Winchell

Director, Government Affairs

Mobile: 845.325.6235

Email: andrew.winchell@fanduel.com

FANDUELGROUP





Cory Fox
cory.fox@fanduel.com

January 8, 2021

Via E-mail to Brian.Considine@wsgc.wa.gov and Ashlie.Laydon@wsgc.wa.gov

Brian Considine, Legal and Legislative Manager
Ashlie Laydon, Rules Coordinator
Washington State Gambling Commission
4565 7th Avenue S.E.
Lacey, WA 98503
(360) 486-3440

Re: FanDuel Comments on Proposed Pre-Licensing Qualification Draft Rules

Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon:

I write to you today to provide comments on behalf of FanDuel, Inc. (“FanDuel”) regarding the proposed Pre-Licensing Qualification Draft Rules for sports wagering (“Draft Rules”) released by the Washington State Gambling Commission (“Commission”).

FanDuel has been a leading operator of daily fantasy sports for over a decade. Following the Supreme Court’s decision to strike down the Professional and Amateur Sports Protection Act (“PASPA”) in May of 2018, FanDuel has now become the leading sports wagering operator, and the largest online real-money gaming operator, in the United States. FanDuel currently operates fourteen brick and mortar sportsbooks in nine states and online sports wagering in eight states. In 2018, FanDuel merged with Betfair US, which has been offering online casino wagering in New Jersey since 2013. We appreciate the opportunity to share our perspective on sports betting regulation with you.

We respectfully suggest the limitation of the term “substantial interest holder” as it is applied in subsections (2), (4), and (9) of the Draft Rule. In reviewing the definition of “substantial interest holder” as it is found in WAC 230-03-045, it appears there is no exemption provided for an individual or entity who holds an ownership interest in an applicant solely as a passive investor. This would require an in-depth background check on individuals who are not actively involved in the operations of the applicant, creating a particular burden with respect to publicly traded companies.

To address this concern we suggest the following change to subsection (2) of the Draft Rule which draws from the existing definition of “passive investors” as it relates to the licensure of gaming suppliers:

“(2) To apply for pre-licensing qualification letter, the applicant and each substantial interest holder will go through a pre-licensing investigation to determine if the applicant and substantial



interest holders are initially qualified. **For purposes of this section, “substantial interest holder” shall not include “passive investors” in the applicant as that term is defined in WAC 230-03-212(2)(c).”**

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 over a light blue horizontal line.

Cory Fox

Government Affairs and Product Counsel Vice President

From: [Considine, Brian \(GMB\)](#)
To: [Kevin Cochran](#)
Cc: [Griffin Finan](#); [Sarah Koch](#); [Laydon, Ashlie \(GMB\)](#)
Subject: RE: DraftKings -- Washington Pre-Licensing Qualification Draft Rules Comments
Date: Friday, February 5, 2021 1:58:38 PM
Attachments: [image005.png](#)
[image007.png](#)

Kevin,

My apologies for taking so long to respond to your comments and recommendations to the prelicensing investigation rules.

In a previous email to all stakeholders, we tried to provide information on substantial interest holders and passive investors in how we typically process these applications/investigations without changing the language in our rule.

Hopefully, our explanation of the process and how we handle these types of entities/individuals was helpful. However, please let me know you have any further questions or concerns.

As of now, it does appear we are on track to finalize pre-licensing investigation rules at a special meeting on February 24, 2021. The time is still to be determined, but likely in the afternoon pacific time. I will send out an email with the meeting information once we have it finalized.

Sincerely,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Kevin Cochran <kcochran@draftkings.com>
Sent: Friday, January 8, 2021 3:16 PM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Cc: Griffin Finan <gfinan@draftkings.com>; Sarah Koch <skoch@draftkings.com>
Subject: DraftKings -- Washington Pre-Licensing Qualification Draft Rules Comments

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Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

Attached you will find DraftKings Inc.'s ("DraftKings") comments to the Washington State Gambling Commission's Pre-Licensing Qualification Draft Rules. Thank you for your consideration of DraftKings' comments. Please do not hesitate to reach out to us if you have any questions regarding our submitted comments.

Thanks and have a nice weekend,

Kevin

KEVIN COCHRAN

Manager, Government Affairs and Corporate Counsel

DraftKings Inc.

215-290-4428





January 8, 2021

Via E-mail to Brian.Considine@wsgc.wa.gov and Ashlie.Laydon@wsgc.wa.gov

Brian Considine, Legal and Legislative Manager
Ashlie Laydon, Rules Coordinator
Washington State Gambling Commission
4565 7th Avenue S.E.
Lacey, WA 98503
(360) 486-3440

Re: Pre-Licensing Qualification Draft Rules

Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

In response to the Pre-Licensing Qualification Draft Rules for sports wagering released by the Washington State Gambling Commission (“Commission”), DraftKings Inc. (“DraftKings”) submits the following comments. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with the topics addressed in the proposed rules and submits these comments based on its experience in multiple regulated markets.

We respectfully request inserting limitations around the term “substantial interest holder” as it is used in subsections (2), (4), and (9) of the draft rule. The definition of “substantial interest holder” found elsewhere in the gaming rules (WAC 230-03-045) would be overbroad as applied here. The WAC 230-03-045 definition would require an in-depth investigation of many individuals that would have little or no influence or dealings with the applicant’s business in Washington.

For this reason, we would request that the Commission focus its review on those substantial interest holders with actual influence over the applicant or licensee. In making that determination, we would suggest the Commission adopt a similar analysis to the “passive investor” standard used in WAC 230-03-212(c)(i)-(iii), and find that individuals will not be considered substantial interest holders for purposes of this rule if they are not in a position to:

- (i) Appoint or have the right to appoint officers, directors, consultants, or other positions with the applicant or licensee;
- (ii) Require the applicant or licensee to seek approval or authorization in making business decisions; or
- (iii) Have full access to the records of the applicant or licensee.

This ensures that the entity and individuals in a decision-making role are thoroughly vetted, while avoiding a significant licensing burden for the applicant and the regulator that does not result in a benefit to the state.

With the inclusion of these requested changes, subsection (2) of the draft rule would read:



(2) To apply for pre-licensing qualification letter, the applicant and each substantial interest holder will go through a pre-licensing investigation to determine if the applicant and substantial interest holders are initially qualified. **For purposes of this section, “substantial interest holder” shall not include individuals that do not:**

(i) Appoint or have the right to appoint officers, directors, consultants, or other positions with the applicant or licensee;

(ii) Require the applicant or licensee to seek approval or authorization in making business decisions; or

(iii) Have full access to the records of the applicant or licensee;

Additionally, we note that other sports betting jurisdictions generally implement a more narrow suitability inquiry for vendors and suppliers that do not actually operate the sports betting platform. For example, an individual serving in a role deemed to be a “substantial interest holder” for a sports betting operator may not be considered a “substantial interest holder” if they hold the same position for a sports betting vendor. The current draft rule, without additional language, appears to capture every type of applicant in the same way. We respectfully suggest that requirements for vendors and suppliers be distinguished in the rule.

Thank you for your consideration of DraftKings’ comments regarding the Pre-Qualification Licensing Draft Rules.

Sincerely,

DraftKings Inc.

From: [Considine, Brian \(GMB\)](#)
To: [Trevor Hayes](#)
Cc: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Draft Pre-licensing Qualification Rules
Date: Friday, February 5, 2021 1:59:38 PM
Attachments: [image002.png](#)
[image004.png](#)

Hi Trevor,

My apologies for taking so long to respond to your comments and recommendations to the prelicensing investigation rules.

In a previous email to all stakeholders, we tried to provide information on substantial interest holders and passive investors in how we typically process these applications/investigations without changing the language in our rule.

Hopefully, our explanation of the process and how we handle these types of entities/individuals was helpful. However, please let me know you have any further questions or concerns.

As of now, it does appear we are on track to finalize pre-licensing investigation rules at a special meeting on February 24, 2021. The time is still to be determined, but likely in the afternoon pacific time. I will send out an email with the meeting information once we have it finalized.

Sincerely,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Trevor Hayes <THayes@williamhill.us>
Sent: Friday, January 8, 2021 4:03 PM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: RE: Draft Pre-licensing Qualification Rules

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Brian and Ashlie,

Thank you for providing us with the opportunity to comment on the proposed regulations.

We don't have any concerns significant enough to warrant making a formal comment. One suggestion we think may be beneficial is a more specific definition of "substantial interest holder," as it pertains to licensing. Many jurisdictions define that as someone with greater than a 10 percent or greater than a 5 percent ownership stake.

Thank you and I look forward to working with you.

Regards,

Trevor



Trevor Hayes

Head of Government Relations

Mobile: 702.308.9993

E-mail: thayes@williamhill.us

William Hill | 6325 S. Rainbow Boulevard #100 | Las Vegas, NV | 89118

From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>

Sent: Wednesday, December 30, 2020 3:09 PM

Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Sizemore, Bud (GMB) <bud.sizemore@wsgc.wa.gov>; Trujillo, Dave (GMB) <dave.trujillo@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>

Subject: Draft Pre-licensing Qualification Rules

Hello,

You are receiving this email because the Washington State Gambling Commission (WSGC) has identified you and/or your organization as a stakeholder for our sports wagering rule-making.

Please find the attached draft proposed sports wagering pre-licensing qualification rules. WSGC staff intends to bring the proposed draft rules to our Commissioners at our [January 14, 2021 public meeting](#) for the Commissioners' review and approval.

Staff requests your input and please provide any questions, comments or suggested edits to me (Brian.considine@wsgc.wa.gov) and our Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov) by Monday, January 8 at 5pm.

These rules are meant to authorize the agency's pre-licensing investigation process for future sports wagering licenses. Our agency's goal is to allow individuals/organizations the ability to get a head start on our pre-licensing investigation process through these rules.

However, these rules are not intended to become a sports wagering license or give the person or organization a license at this time. The final draft sports wagering license rules are still part of tribal-state compact negotiations and any final sports wagering license rules will be forthcoming in the next few months.

WSGC staff will review any comments, questions, or suggested edits if submitted by the above-referenced deadline, and all written comments will become part of the rule-making file. You are also welcome to attend our January 14th public meeting and provide public comment during the public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Please contact me if you have any questions about this process.

Happy Holidays,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



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From: [Considine, Brian \(GMB\)](#)
Cc: [Laydon, Ashlie \(GMB\)](#); [Sizemore, Bud \(GMB\)](#); [Trujillo, Dave \(GMB\)](#); [Griffin, Tina \(GMB\)](#); [Lies, Julie \(GMB\)](#); [LaMont, Jennifer \(GMB\)](#)
Subject: RE: Draft Pre-licensing Qualification Rules
Date: Thursday, January 21, 2021 4:26:40 PM
Attachments: [image002.png](#)
[image004.png](#)

Hello,

The agency's Commissioners reviewed and approved to file at their January 14, 2021 public meeting the previously distributed draft pre-licensing qualification rules. I will send out a link to the rules once they are published by the state code reviser in the state's register. However, the Commissioners did not make any changes to the draft rule language previously sent to you for comment.

Per our state Administrative Procedures Act, we have filed these proposed rules with the state code reviser on Wednesday, January 20, 2021, and they will be published on February 3, 2021. Final action can take place any time on or after February 23, 2021. Chair Sizemore has indicated that he would like to call a special meeting to review and vote to finalize these rules at the end of February, if possible. I will send any special meeting notice out to this list if/when it is available. Otherwise, March 11, 2021 is the next public meeting where these rules could be voted on by our Commissioners and you are always welcome to check our [public meetings webpage](#) for further information as well.

Thank you for the public comments that were received before our January 14, 2021 public meeting. Commissioners and staff reviewed all comments and questions and hope to provide some additional information to address some frequently asked questions and then will try to follow up in the next couple weeks with people, as needed.

Who is a Substantial Interest Holder?

A question or concern we received related to how the agency will address substantial interest holders as it is used in the proposed pre-licensing qualification rules. Substantial Interest Holder is already defined in [WAC 230-03-045](#), and the agency's licensing staff regularly uses this rule in processing current gambling license applications.

Agency staff believe this definition is sufficient in the context of sports wagering pre-license investigations and the level of scrutiny of the organization and individuals within the organization will be developed through the application process, including discussions with the applicant, as needed. In practice, we can, and do, modify our scope of our requests for information on substantial interest holders based on the information provided by an applicant in the pre-licensing application and then look to the stated level of actual or potential influence over the licensee and/or gambling activity.

What about Passive Investors?

"Passive investors" were another point of concern. The agency currently addresses this type of investor in the definition of "regulated lending institution" in [WAC 230-03-212](#). In this definition, passive investors are an entity or a person who have no actual or potential influence over the operations of a licensee. We typically utilize an [Institutional Investor Certification Form](#) for an Investment Company registered with the SEC and:

The Voting Securities held by the Investment Company were acquired and are held for investment purposes only, and were acquired and are held in the ordinary course of business as an institutional investor and not for the purposes of causing, directly or indirectly, the election or appointment of any director or management member of the Licensee. Nor are the Voting Securities held for the purpose of causing, directly or indirectly, any change in the chartering documents (including articles of incorporation, bylaws, and other documents), or other operating agreements, management, directorship, policies, or operations of the Licensee. Further, the Investment Company acquired the Voting Securities disclosed above solely for investment purposes, and the Investment Company has no involvement in the business activities of the Licensee, nor does the Investment Company have any intention of influencing or affecting, or participating in the affairs of the Licensee.

- If the Investment Company subsequently intends to influence or affect the affairs of the Licensee, they shall provide not less than 30 days written notice of such intent, and shall file with the Washington State Gambling Commission the appropriate application for licensure/suitability before taking any action that may influence or affect the affairs of the Licensee; provided, however, that the Investment Company shall be permitted to vote on matters put to the vote of the outstanding security holders at any time without providing notice to the Washington State Gambling Commission.
- For purposes of this Certificate and the matters set forth herein, the Investment Company acknowledges that it is bound by and shall comply with all regulations enacted by the Washington State Gambling Commission and, to such extent, is subject to the jurisdiction of the courts of Washington and consents to Washington as the choice of forum in the event any dispute, question, or controversy arises regarding the application of these regulations.

An application will also ask for the identity and personal identifying information for persons/entities with >5% interest in the Investment Company. If the applicant lists one person as 100% owner, then we treat the Investment Company as an individual.

We also use an [Institutional Lender Certification Form](#) for Lenders, for whom based on the amount or the terms of the loan are determined to be a substantial interest holder, who are not federally recognized lending institutions but an Investment Company registered with the SEC.

Who Should Consider Applying Under This Rule?

The goal of this rule is to authorize the agency to engage in its standard pre-licensing investigation process before final licensing rules are agreed upon and become final. Our pre-licensing investigation process takes an average of 60-90 days, and this rule, if it becomes final, will allow organizations to get a head start on the pre-licensing process in anticipation of final licensing rules to be unveiled later this year once tribal compact negotiations are complete.

Therefore, standards for full licensing requirements and license classes are still under negotiation between the State and Tribes who have requested to negotiate a sports wagering compact amendment. Consequently, there will be some ambiguity on sports wagering licenses because the agency cannot yet provide a list of possible license types or which types of

organizations who provide sports wagering products or services may need to be licensed.

Our pre-licensing application process will be required for any sports wagering license, regardless if it is done through pre-licensing qualification or through the final sports wagering licensing rules. We recommend that most companies licensed in other states where they provide sportsbook services and/or equipment consider entering this pre-license qualification process. You are encouraged to contact us if there is any question if this process is the right process for your organization and we will provide the best direction we can about the potential value of this process at this time.

-
Do we need this rule?

Yes. All agency licensing processes authorized by statute require our Commissioners to approve additional licensing rules. These rules authorize the same pre-licensing investigation process the agency has historically utilized for any gambling license application, including applications for manufacturers, distributors, service suppliers of gambling equipment and services for all of our gambling activities. However, sports wagering is not authorized through agency rules and it must be done through the agency rule-making process whether it is done at this time or in the final licensing rules.

An alternative to this rule could be for the agency to wait to begin the pre-licensing investigation process until the final rules are approved. However, agency staff and Commissioners feel it is best to try to authorize, through these proposed rules, this pre-licensing qualification process now to give the agency and potential licensees an option to engage in the 60-90 day (average) pre-licensing process now while the final licensing standards are being negotiated and before we engage in the final licensing rule-making process. We believe there is value in getting a head start on this process and believe it will help smooth out any bumps in the pre-licensing investigation process as the agency and applicants become more familiar with each other.

Is Public Comment Still Available?

Yes. Public comment is welcome and still available on these pre-licensing qualification rules. Please send any additional public comment to myself and Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov), and we will distribute them to our leadership and Commissioners for review and consideration before any rule is considered for final action.

Thank you for input and your time on this issue – really greatly appreciate it.

Sincerely,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Considine, Brian (GMB)
Sent: Wednesday, December 30, 2020 3:46 PM
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Sizemore, Bud (GMB) <bud.sizemore@wsgc.wa.gov>; Trujillo, Dave (GMB) (dave.trujillo@wsgc.wa.gov) <dave.trujillo@wsgc.wa.gov>; 'Griffin, Tina (GMB) (tina.griffin@wsgc.wa.gov)' <tina.griffin@wsgc.wa.gov>; Lies, Julie (GMB) (julie.lies@wsgc.wa.gov) <julie.lies@wsgc.wa.gov>
Subject: RE: Draft Pre-licensing Qualification Rules

My apologies, there is an error and all written comments/suggested edits are due by Friday, January 8, 2021 at 5pm.

Sorry for any confusion or inconvenience caused by my error in the original date.

Thank you,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
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From: Considine, Brian (GMB)
Sent: Wednesday, December 30, 2020 3:09 PM
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Sizemore, Bud (GMB) <bud.sizemore@wsgc.wa.gov>; Trujillo, Dave (GMB) (dave.trujillo@wsgc.wa.gov) <dave.trujillo@wsgc.wa.gov>; Griffin, Tina (GMB) (tina.griffin@wsgc.wa.gov) <tina.griffin@wsgc.wa.gov>; Lies, Julie (GMB) (julie.lies@wsgc.wa.gov) <julie.lies@wsgc.wa.gov>
Subject: Draft Pre-licensing Qualification Rules

Hello,

You are receiving this email because the Washington State Gambling Commission (WSGC) has identified you and/or your organization as a stakeholder for our sports wagering rule-making.

Please find the attached draft proposed sports wagering pre-licensing qualification rules. WSGC staff intends to bring the proposed draft rules to our Commissioners at our [January 14, 2021 public meeting](#) for the Commissioners' review and approval.

Staff requests your input and please provide any questions, comments or suggested edits to me (Brian.considine@wsgc.wa.gov) and our Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov) by ~~Monday~~ Friday, January 8, 2021 at 5pm.

These rules are meant to authorize the agency's pre-licensing investigation process for future

sports wagering licenses. Our agency's goal is to allow individuals/organizations the ability to get a head start on our pre-licensing investigation process through these rules.

However, these rules are not intended to become a sports wagering license or give the person or organization a license at this time. The final draft sports wagering license rules are still part of tribal-state compact negotiations and any final sports wagering license rules will be forthcoming in the next few months.

WSGC staff will review any comments, questions, or suggested edits if submitted by the above-referenced deadline, and all written comments will become part of the rule-making file. You are also welcome to attend our January 14th public meeting and provide public comment during the public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Please contact me if you have any questions about this process.

Happy Holidays,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
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