

**COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION**

In the Matter of)
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Application of Betr Holdings, Inc. d/b/a Betr, for a Temporary)
Untethered Category 3 Sports Wagering Operator License)
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**DECISION DEEMING BETR HOLDINGS, INC. D/B/A BETR
ELIGIBLE TO REQUEST A TEMPORARY UNTETHERED
CATEGORY 3 SPORTS WAGERING OPERATOR LICENSE¹**

I. Introduction

Betr Holdings, Inc. d/b/a Betr (“Betr”) applied to the Massachusetts Gaming Commission (“MGC” or “Commission”) for an Untethered Category 3 Sports Wagering License on November 14, 2022. Under G.L. c. 23N, the Commission may issue an Untethered Category 3 Sports Wagering License (“License”) to an entity that offers Sports Wagering through a mobile or other digital platform that meets the requirements of c. 23N and the rules and regulations of the Commission. For the following reasons, the Commission hereby deems Betr eligible to request a License.

II. Procedural History²

On November 14, 2022, the Commission received Betr’s Sports Wagering License Application (the “Application”), including the \$200,000 application fee. *See* G.L. c. 23N, § 7(A) and 205 CMR 214.01. The MGC Division of Licensing reviewed the Sports Wagering License Application for administrative sufficiency and determined that the application was sufficient. *See* 205 CMR 218.03. On January 3, 2023, the Commission held a virtual public meeting to hear public comment on all Untethered Category 3 Sports Wagering applications. *See* 205 CMR 218.05 and 205 CMR 218.06, which are contained in the Commission’s public record. On January 10, 2023, the Commission held a virtual public meeting to determine whether to issue Betr a preliminary finding of suitability, which included hearing an informal presentation from Betr and the Commission’s consultants. *See* 205 CMR 218.04(1)(a)-(b), 218.05(1)(b), 218.06(1). On January 19, 2023, at a separately held virtual public meeting, the Commission discussed all seven of the Untethered Category 3 Sports Wagering License Applications and conducted final votes on each, *see* 205 CMR 218.06(4)-(5). After the meeting, the Commission, by a 4 to 1 vote, found Betr preliminarily suitable and eligible to request a Temporary License. *See* 205 CMR 215.01(2)(c)-(d), 218.07(1)(a).

¹ All facts referenced in this decision were current as of the date of the respective hearings referenced in the Procedural History for this applicant.

² After obtaining its temporary license Betr requested to cease operating in the Commonwealth. Betr’s request for cessation of operation in the Commonwealth was approved by the Commission on February 21, 2024, and Betr is no longer operating in the Commonwealth as of the date of this decision.

III. Findings and Evaluation

In evaluating whether to issue the Category 3 Untethered Sports Wagering License to Betr, the Commission considered: all information in the application submitted by Betr; the public comments made on December 5, 2022; the presentations made by Betr and the Commission's external consultants³ on January 10, 2023; and a written report prepared by the Investigations and Enforcement Bureau ("IEB") in accordance with 205 CMR 215.01(2)(b).

In accordance with 205 CMR 218.06(5), in determining whether to deem Betr eligible to request a Temporary Untethered Category 3 Sports Wagering License, the Commission evaluated all materials and information in the record to determine whether a license award would benefit the Commonwealth, and considered the following factors:

- a) Betr's experience and expertise related to Sports Wagering, including:
 1. Betr's ability to offer Sports Wagering in the Commonwealth;
 2. A description of Betr's proposed Sports Wagering operation;
 3. The technical features & operation of Betr's proposed Sports Wagering Platform;
- b) The economic impact and other benefits to the Commonwealth if Betr is awarded a License, including:
 1. Employment opportunities within the Commonwealth;
 2. The projected revenue from wagering operations, and tax revenue to the Commonwealth;
 3. Community engagement;
- c) Betr's proposed measures related to responsible gaming, including:
 1. Betr's responsible gaming policies;
 2. Betr's advertising and promotional plans;
 3. Betr's history of demonstrated commitment to responsible gaming;
- d) A description of Betr's willingness to foster racial, ethnic, and gender diversity, equity, and inclusion, including:
 1. Within Betr's workforce;
 2. Through Betr's supplier spend;
 3. In Betr's corporate structure;
- e) The technology that Betr intends to use in its operation, including:
 1. Geofencing;

³ The consultants include RSM US LLP ("RSM"), which presented on Betr's financial projections; Gaming Laboratories International LLC ("GLI"), which presented on technology considerations; and the Commission's Investigations and Enforcement Bureau ("IEB"), which presented on Betr's suitability.

2. Know-your-customer (“KYC”) measures;
 3. Technological expertise and reliability;
- f) The suitability of Betr and its qualifiers, including:
1. Betr’s corporate integrity
 2. The integrity of Betr’s individual qualifiers;
 3. Betr’s financial stability, integrity, and background;
 4. Sports Wagering Betr’s history of compliance with gaming or Sports Wagering licensing requirements in other jurisdictions; and
- g) Any other appropriate factor, in the Commission’s discretion.

Further, the Commission decided whether each section of Betr’s application addressing these factors failed to meet, met, or exceeded expectations.

In addition, and in accordance with 205 CMR 218.06(6), the Commission also considered the “variations between the Applicants as they relate to any other Sports Wagering License Applicants or licensees” in order to determine whether and the extent to which of the Applicants, if any, would collectively benefit the Commonwealth. This consideration is specific to Category 3 Licenses.

After full consideration, the Commission finds there is substantial evidence in the record to conclude that Betr’s proposed Sports Wagering operation meets the requirements set forth in each of the categories listed in G.L. c. 23N and 205 CMR 218. The Commission further finds there is substantial evidence to adopt the following specific findings of fact and conclusions of law related to Betr’s Application.

A. Experience and Expertise Related to Sports Wagering

Betr was founded in 2022 by Joey Levy and Jake Paul, who described their sports wagering platform to the Commission as “next-gen sports fan engagement.” As of the date of the hearing, Betr explained that it had over 120,000 downloads on mobile platforms, where users experienced a product that Betr described as combining its media and gaming branches. During its presentation to the Commission, Betr introduced its leadership team, which includes co-founders Paul and Levy, Alex Ursa (gaming), Mike DeNevi (media), and Ashwin Krishnan (legal).

Betr explained that its sports wagering operations are primarily micro- and in-play wagering for basketball, baseball, and football. As of the date of the presentation, Betr was active in Ohio, and applying for licenses in Indiana, Maryland, and Virginia (in addition to Massachusetts).

Commissioner Skinner raised a concern regarding Mr. Levy’s prior role with SimpleBet, Inc., another sports wagering platform. Mr. Levy assured the Commission that Mr. Levy is only a fiduciary of Betr, and that he no longer works for SimpleBet, though he is still a shareholder in SimpleBet. Commissioners also inquired about the unique nature of Betr’s sports wagering operation. Betr explained that although most sports wagering platforms in the United States are “outcome-based,” Betr’s focuses on “discrete moments” – meaning that wagers can be placed on

specific moments within a game (e.g., an at-bat, or a possession in football). The Commissioners asked Betr regarding its experience in Ohio thus far, and Betr explained that, as of the date of the hearing, it was still in a “soft launch” phase, but expected to be fully operational within a matter of days. Commissioners also inquired regarding Betr’s customer service. Betr explained that its customer service team of six (out of twenty-seven full-time employees) was available twenty-four hours a day, seven days a week, and would be capable of dealing with any issue the customer was facing by email or, eventually, by live chat. Commissioner Hill expressed concern that six people might not be enough.

Overall, there is substantial evidence that Betr has the experience and expertise to develop and operate a Sports Wagering Platform. Therefore, Betr’s proposal in the experience and expertise category meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Betr’s ability to offer Sports Wagering in the Commonwealth	<p>The Commission inquired into Betr’s experience in Ohio. Betr responded that the soft launch was going well, that it had taken a “phased approach,” and that it would notify the Commission if anything changed about its Ohio operation.</p> <p>For the reasons stated above, the Commission unanimously agreed that Betr has sufficient ability to offer Sports Wagering in the Commonwealth.</p>
Description of Betr’s proposed Sports Wagering Platform	<p>The Commission asked how Betr plans to make discreet wagering (i.e., in game betting) functional, given the practical challenges presented by broadcast delay and other potential latency issues. Betr’s response was that although latency issues will limit construction of the wagers, they will not limit them altogether.</p> <p>Betr further described its proposed Sports Wagering Platform on pages 50-72 of its Application and the Commission found it satisfactory.</p>
Technical features and operation of Betr’s proposed Sports Wagering Platform	<p>Betr described the technical features and operation of its proposed Sports Wagering Platform on pages 73-77 and 102-119 of its Application and the Commission found them satisfactory.</p>

B. Economic Impact

Betr provided the Commission with a review of its objectives for a positive economic impact on and partnerships with the Commonwealth. Given that it is an electronic platform, Betr had limited plans for an increase in employment in the Commonwealth. Betr nonetheless stated that

it expects to hire in-state employees for media, customer service, and other business components as necessary.

RSM informed the Commission that Betr’s projections for revenue and hold percentage were aggressive, but reasonable.

The Commission was impressed with Betr’s robust plans for meaningful engagement with the Commonwealth. Jake Paul, Betr’s President, has an established program called “Boxing Bullies,” a community service project designed to help school-age children, especially those afflicted by bullying, advocate for themselves through mentorship, martial arts, and camaraderie. Paul stated he hoped to bring Boxing Bullies to a neighborhood in Massachusetts but emphasized that this initiative would not be directly tied to Betr.

Betr stated that it plans to enter into partnerships with local universities, including the University of Massachusetts – Boston, and Harvard. The Commission commented that it would like to see a commitment to reaching underserved communities in addition to relationships with schools, especially since most university students are under the age of 21, and Betr committed to doing so.

Overall, there is substantial evidence that Betr’s proposal in the economic impact category meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Employment opportunities within the Commonwealth	Betr does not anticipate significant employment opportunities for Massachusetts residents other than for media and customer service roles.
Projected revenue	<p>In addition to RSM’s presentation, Betr’s presentation included a discussion of how the in-game betting experience Betr focuses on is expected to generate revenue, given that in-game wagering is more prevalent in non-US jurisdictions than other forms of wagering.</p> <p>Betr further described its projected Sports Wagering revenue on pages 123-29, of its Application and the Commission found it satisfactory.</p>
Community engagement	<p>The Commission asked Betr to confirm its plans to work with the Massachusetts Lottery, and Betr committed to doing so.</p> <p>Betr stated that one of its goals was to invest in the local community in general, in ways not necessarily tied to the Sports Wagering operation. These kinds of investments include</p>

	directing money towards public parks and charities. The Commission found Betr's description satisfactory.
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C. Responsible Gaming

Much of the Commission's focus on Betr's application was with respect to Section E, Responsible Gaming ("RG"). The most acute concern concerned the relationship between Betr's wagering and media branches. The Commission inquired as to how the appeal of someone like Jake Paul would affect the demographics of Betr's platform and make it harder to ensure only people over the age of twenty-one were wagering.

During its demonstration and presentation, Betr explained its policy to limit the amount that bettors aged 21-25 were able to wager to protect the demographic potentially most prone to non-responsible gaming. To promote the importance of responsible gaming, Betr's platform (and promotional media) will also feature thorough, frequent, and visible responsible gaming messages, comments, notifications, and "caption callouts."

Betr's media and promotional presence caused the Commission the most concern. Specifically, the Commission asked how Betr President Jake Paul's participation in sports on which the Betr platform will allow betting would not threaten the integrity of the product. Betr's response was that there was a clear separation between Jake Paul the individual and athlete and Betr as a company.

Although discussed while analyzing suitability, the Commission raised concerns about Betr's practice of "repetitive marketing" – the practice of sending multiple marketing messages to prospective consumers with excessive promotional material until they try the product or service. The Commission was concerned that the promotion of microbetting might lead to larger scale gambling and become problematic. Betr responded by clarifying that no particular product or service – including microbetting – would be promoted via "repetitive marketing."

In Executive Session, the Commission heard additional details about the demographics of Jake Paul's audience, considering the Commission's concern about whether Betr's users would be twenty-one or older in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i). A majority of the Commission was ultimately satisfied that the dynamics of Betr's leadership would not negatively impact Betr's ability to offer Sports Wagering in accordance with responsible gaming principles.

Overall, there is substantial evidence that Betr's proposal in the responsible gaming category meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Responsible Gaming Policies	Betr stated that it has a dedicated prohibited patron enforcement team, represented at the meeting by former gaming regulator Robert Warren. Outside that team all of Betr’s employees have been trained in anti-bribery, code of conduct, and other threats to responsible gaming.
Advertising and Promotional Plans	The Commission concluded that even though there was some risk of conflating Betr the platform with Mr. Paul’s personal ventures, Betr had the tools and flexibility to manage issues as they came up. The Commission also determined that Betr’s promotion of responsible gaming messaging has been so extensive that it is unlikely that someone would conflate Mr. Paul with the operations of Betr.
History of Dedicated Commitment to Responsible Gaming	Since Betr’s platform only recently launched in its first jurisdiction, Betr’s only corporate responsible gaming plan was submitted in that state. As of the hearing, Betr had not had any issues with responsible gaming.

D. Diversity, Equity, and Inclusion

The Commission included Diversity, Equity, and Inclusion (“DEI”) as a stand-alone consideration to demonstrate the value it places on this category of an applicant’s application. The Commission found that Betr currently has a comprehensive DEI focus, with broad minority representation across its fourteen-person leadership team.

Betr included in its application some specific goals related to the network of vendors, suppliers, and business partners with whom it plans to work. One of these goals was that by the end of 2024, Betr would have committed 30% of its vendor and supplier expenditures on Minority-owned Business Entities (MBEs). Betr explained that it had a similar commitment to working with nonprofits and advocacy groups to continue to identify diverse or underrepresented suppliers and vendors, evaluate non-diverse suppliers and vendors, and engage in other initiatives where possible to increase its DEI footprint. Some of these entities include the Black Economic Council, the NAACP, the Urban League, and Women in the Enterprise of Science & Technology.

There is therefore substantial evidence that Betr’s commitment to Diversity, Equity, and Inclusion exceeds expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Workforce	The Commission commended Betr’s commitment to diversity and representation, especially among its senior leadership.
Supplier spend	Betr described its supplier spending goals on pages 148-49 of its Application and the Commission found it satisfactory.
DEI in corporate structure	<i>See above section “DEI within the workforce.”</i>

E. Technology

Betr’s technological and security measures include ID verification, closed loop withdrawals, geolocation checks, and regulatory reporting.

During the public meeting, Betr demonstrated how consumer verification works, including that people under twenty-one would be blocked and identified by their social security number. Betr showed that its betting options included both players and teams, and that wagers were set by “multipliers.” Betr also explained that geolocation was included in of its platform.

Overall, there is substantial evidence that Betr’s proposal in the technology category meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Geofencing	Betr described its geofencing measures on pages 173-76 of its Application and the Commission found them satisfactory.
Know your customer measures	Betr described its know your customer measures in the Responsible Gaming section, on pages 157-61 of its Application, and the Commission found them satisfactory.
Technological expertise and reliability	Betr described its technological expertise and reliability on pages 195-226 of its Application and the Commission found them satisfactory.

F. Suitability of Betr and Its Qualifiers

Another preliminary area of concern for the Commission was the effect on Betr’s suitability of controversy surrounding Betr president Jake Paul. The Commission noted that Jake Paul has an audience, platform, and persona that can often be controversial. The Commission expressed concern about whether the perception of Betr, with someone as visible as Jake Paul in a senior

leadership position, would in turn impair the integrity and perception of the MGC or the Commonwealth as a whole.

Additionally, the Commission highlighted three legal actions related to defamation, alleged sexual assault, and digital currency and asked for Betr’s insight as to how these claims might be addressed. Mr. Paul addressed the Commission, explaining that despite some of the controversy and opinions that are popular in media, he has a clean record and a reputation for his business deals, and encouraged the Commission to focus on those facts in deciding whether to grant Betr a license. The Commission cited several publicly available news articles discussing some of the litigation in which Betr or Mr. Paul was involved and asked the applicant for comment. Betr answered the Commission’s questions and promised to provide the Commission with copies of any complaints against it or Mr. Paul for active cases.

Overall, the Commission commended Mr. Paul and the Betr team for their responsiveness and candor and stated that they were prepared to find that suitability had met expectations, pending the submission of more documentation from Betr (including complaints in any active litigation). The Commission received the supplemental material by its public meeting on January 19, 2023, the required information was received by the Commission, and the Commission was satisfied.

The majority of the Commission is satisfied with Betr’s suitability, and that of its qualifiers. It therefore found Betr preliminary suitable, and concluded there is substantial evidence that Betr’s suitability meets expectations.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Finding
Corporate integrity	Betr is suitable to hold a Sports Wagering license.
Individual qualifier integrity	Betr provided its corporate and individual qualifiers’ suitability qualifications on pages 545-50 of its Application. The Commission found this section of Betr’s Application to be satisfactory.
Financial stability, integrity, and background	Betr benefits from leadership that includes an individual with substantial financial means and a high degree of name recognition. Even though Betr is not as established as some of its would-be competitors in the Commonwealth, the Commission was satisfied with Betr’s financial stability.
Compliance	Betr has a very limited history in compliance because it has limited experience in Sports Wagering. The Commission expects to be kept up to date on any compliance issues that may arise in other jurisdictions.

IV. Award

THE COMMISSION FINDS THAT BETR’S APPLICATION MEETS EXPECTATIONS IN ALL CATEGORIES AND THEREFORE BETR IS ELIGIBLE FOR A TEMPORARY UNTETHERED CATEGORY 3 SPORTS WAGERING LICENSE.

On January 19, 2023, the Commission deemed Betr (“Licensee”) eligible to request a Temporary Category 3 Untethered Sports Wagering Operator License (“License”) pursuant to the terms and conditions of this Agreement (“Agreement”). On November 21, 2022, the Commission received Betr’s request for a temporary license, and an initial licensing fee of \$1,000,000 payable to the Commission. *See* 205 CMR 219.02(1). On January 19, 2023, the Commission voted, 4 to 1 to issue the requested License. *See* 205 CMR 219.02(3).


This License is subject to the following conditions:

1. Compliance with all requirements of G.L. c. 23N, as now in effect and as hereafter amended and 205 CMR, as now in effect and as hereafter amended.
2. Compliance with all applicable federal, state, and local laws, rules and regulations, now in effect or as hereafter amended or promulgated.
3. Compliance with the license conditions required by 205 CMR 220, namely:
 - a. That the Licensee obtain an Operation Certificate before conducting any Sports Wagering in the Commonwealth;
 - b. That the Licensee comply with all terms and conditions of its license and Operation Certificate;
 - c. That the Licensee comply with G.L. c. 23N and all rules and regulations of the Commission;
 - d. That the Licensee make all required payments to the Commission in a timely manner;
 - e. That the Licensee maintain its suitability to hold a Sports Wagering license; and
 - f. That the Licensee conduct Sports Wagering in accordance with its approved system of internal controls, and in accordance with its approved house rules, in accordance with G.L. c. 23N, § 10(a) and with 205 CMR
4. The Licensee post the License, in a form prescribed by the Commission, in a location continuously conspicuous to the public on the Licensee’s Sports Wagering Platform and website at all times.
5. Payment of assessments made pursuant 205 CMR 221.00 in accordance with that regulation.

6. The Sports Wagering Operation shall substantially conform to the information included in the application filed by the Licensee and abide by all affirmative statements made in the Licensee's application.
7. The term of the License awarded to Licensee commences upon February 23, 2023, and shall expire as set out in 205 CMR 219.03.

SO ORDERED

MASSACHUSETTS GAMING COMMISSION



Cathy Judd-Stein, Chair



Bradford R. Hill, Commissioner



Nakisha L. Skinner, Commissioner



Jordan M. Maynard, Commissioner

VOTING IN THE NEGATIVE



Eileen M. O'Brien, Commissioner⁴

⁴ Commissioner O'Brien did not vote in favor of issuing this License to Betr.