

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION

In the Matter of)
)
)
Request of Crown MA Gaming LLC d/b/a DraftKings for)
a Durable Finding of Suitability)
)
)

**DECISION GRANTING CROWN MA GAMING LLC D/B/A DRAFTKINGS A
DURABLE FINDING OF SUITABILITY**

DECISION AND ORDER

This matter came before the Massachusetts Gaming Commission (“Commission”) upon a request by Crown MA Gaming LLC¹ d/b/a DraftKings (“DraftKings”) for an adjudicatory hearing to consider a durable finding of suitability for a Category 3 Sports Wagering license. On December 18, 2024, and February 27, 2025, the Commission conducted adjudicatory hearings relative to the matter using remote collaboration technology. The hearings were held as described in 205 CMR 215.01(d) and 205 CMR 101.01(2)(a), and conducted in accordance with 205 CMR 101.01, the informal fair hearing rules outlined in 801 CMR 1.02, and G.L. c. 30A. Enforcement Counsel Zachary Mercer represented the Investigations and Enforcement Bureau (“IEB”), and Tony Starr and Caitlin Hill of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., represented the petitioners. After hearing and deliberation of the matter, the Commission hereby **GRANTS** DraftKings a durable finding of suitability and finds DraftKings’ individual qualifiers suitable subject to the conditions set forth below.

EXHIBITS

The following exhibits were introduced without objection at the hearings and reviewed and considered by the Commission:

1. IEB Report Regarding Full Suitability Investigation in Re: The Application of Crown MA Gaming LLC (d/b/a DraftKings) for a Category 3 Sports Wagering License (Untethered) with Incorporated Errata Sheet
2. IEB Report Regarding Review for Preliminary Suitability, Dated January 9, 2023
3. Report Regarding Review for Financial Suitability of Crown MA Gaming LLC, d/b/a DraftKings

¹ Following the suitability hearing, DraftKings contacted the Commission Licensing Division to indicate an intention to change the jurisdiction of Crown MA Gaming LLC from a Massachusetts entity to a Nevada entity and to adopt amended organizational documents as required by Nevada law. DraftKings represented that it would continue its operations without interruption and would have the same EIN, the same directors and officers and the same parent company.

4. Matthew Kalish Individual Qualifier Reports
5. Paul Liberman Individual Qualifier Reports
6. Jason Park Individual Qualifier Reports
7. Jason Robins Individual Qualifier Reports
8. Hearing Notice
9. Updated Hearing Notice for February 27, 2025
10. RSM Updated Report
11. February 4, 2025, Mintz letter to IEB with Exhibits 1-20
12. February 12, 2025, Mintz letter to IEB with Exhibit 1
13. February 12, 2025, Mintz letter to Attorney Stempeck
14. February 21, 2025, Mintz letter to Attorney Stempeck with Enclosure

The following individuals testified at the hearing:

- Michael Banks, Civilian Investigator, IEB
- Monica Chang, Division Chief, Financial Investigations, IEB
- Chris Fitzgerald, RSM US LLP (“RSM”)
- Connor Loughlin, RSM
- Gianna Kubiak, RSM
- Devin Banks, RSM
- Dan Maas, RSM
- Jason Robins, Chief Executive Officer (“CEO”), Chairman and Co-Founder of DraftKings Inc.
- Matthew Kalish, Co-Founder and President North American Operations of DraftKings Inc.
- Paul Lieberman, Co-Founder and Director of DraftKings Inc., President and CEO, Crown MA Gaming LLC.
- Stephanie Sherman, Chief Marketing Officer, DraftKings, Inc.
- Jen Aguiar, Chief Compliance Officer, DraftKings, Inc.
- Stanton Dodge, Chief Legal Officer, DraftKings, Inc.
- Allan Ellingson, Chief Financial Officer, DraftKings, Inc.
- Brian Harris, Chief Information and Security Officer, DraftKings, Inc.
- Jeff Ambrose, Vice President / Head of Internal Audit, DraftKings, Inc.
- Jason Park, Chief Transformation Officer (former CFO), DraftKings, Inc.
- Christopher Binham, Vice President Global Gaming Compliance, DraftKings,

- Inc.
- Andrew Shriro, Vice President and Associate General Counsel, DraftKings, Inc.

FINDINGS OF FACT AND PROCEDURAL HISTORY

The Commission’s decision is based upon the information contained in the exhibits as well as the witness testimony presented at the hearing. All witnesses were duly sworn in, and the Commission finds that each testified credibly. The Commission adopts all factual findings contained in the submitted exhibits, including Exhibits 1-14 as set forth above. The Commission sets forth the relevant facts contained in those exhibits here.

DraftKings submitted an application for a Category 3 Sports Wagering operator license pursuant to G.L. c. 23N, § 6(b)(3), which included four entity qualifiers and four individual qualifiers,² by the November 21, 2022, deadline. The IEB conducted a review for preliminary suitability pursuant to 205 CMR 215.01(2)(a) and (b) and submitted its Report Regarding Review for Preliminary Suitability to the Commission on January 9, 2023.

On January 19, 2023, the Commission voted unanimously at a public meeting to allow DraftKings to request a temporary Category 3 sports wagering license subject to conditions specifically set forth in 205 CMR 220.01. On February 23, 2023, the Commission’s Executive Director issued a temporary Category 3 sports wagering license to DraftKings. The Commission approved DraftKings operations certificate on March 10, 2023, and began operations on the same day.

Subsequent to the Commission’s issuance of the temporary Category 3 sports wagering license, the Massachusetts State Police Gaming Enforcement Unit assigned to the IEB (“GEU”) performed a further preliminary review of the Applicant. This included a review of both law enforcement, sensitive, and publicly available databases. No automatically disqualifying information was discovered during this review.

In addition, the Licensing Division re-scoped DraftKings’ Application based on the legislative amendment to G.L. c. 23N, § 5(b) and 205 CMR 215.02, identifying the entity and individual qualifiers referenced above. On May 8, 2023, the Licensing Division deemed the Application administratively complete, and it transmitted the Application to the IEB for its full investigation.

The IEB, including members of the Financial Investigations Division and the GEU, performed this investigation for durable suitability under the direction of the IEB Director consistent with the directives of the Commission and in accordance with 205 CMR 215.01(1)(c).

The IEB also retained contract investigators comprised of retired members of the Massachusetts State Police, including former members of the GEU, and contract investigators from RSM. The investigation was supervised by GEU supervisory staff and, for financial

²DraftKings, Inc., DraftKings Holdings, Inc., DK Crown Holdings, Inc., Crown Gaming, Inc., Jason Robins, Matthew Kalish, Paul Liberman and Jason Park.

matters, by the Chief of the IEB's Financial Investigations Division. The IEB's Enforcement Counsel managed, reviewed, and provided guidance for this investigation.

On December 18, 2024, and February 27, 2025, the Commission held adjudicatory hearings using remote collaboration technology to review DraftKings' request for a finding of durable suitability. The hearings were held as described in 205 CMR 215.01(1)(d) and 205 CMR 101.01(2)(a), and conducted in accordance with 205 CMR 101.01, the informal fair hearing rules outlined in 801 CMR 1.02, and G.L. c. 30A.

ANALYSIS

On January 19, 2023, the Commission awarded DraftKings a preliminary finding of suitability when it initially applied for a sports wagering operator license in November of 2022. That determination was based on a review of a number of factors set forth in both statute and regulation, including the following:

- the overall reputation of the applicant;
- the integrity, honesty, good character and reputation of the applicant/qualifier;
- the financial stability, integrity and background of the applicant/qualifier;
- the business practices and the business ability of the applicant to establish and maintain a successful sports wagering operation;
- whether the applicant/qualifier has a history of compliance with gaming or sports wagering licensing requirements in other jurisdictions;
- whether the applicant/qualifier, at the time of application, is a defendant in litigation;
- the suitability of all parties in interest to the license, including affiliates and close associates, and the financial resources of the applicant;
- whether the applicant/qualifier is ineligible to hold a license under 205 CMR 215.01(4), M.G.L c. 23N, § 9(a), or G.L. c. 23N, § 6(e);
- whether the applicant/qualifier has been convicted of a crime of moral turpitude;
- whether, and to what extent, the applicant/qualifier has associated with members of organized crime and other Persons of disreputable character; and
- the extent to which the applicant/qualifier has cooperated with the IEB during the review of the application.

In reviewing DraftKings' request for a finding of durable suitability, the Commission heard extensive testimony regarding DraftKings' entity qualifiers, individual qualifiers, financial suitability, corporate governance program and its compliance and litigation history. Much of the

testimony was presented in private session in accordance with 205 CMR 101.01(7) given its sensitive and competitive nature. No evidence of adverse findings with respect to any individual qualifier or entity qualifiers was disclosed, nor was there any concern about DraftKings' financial suitability. The investigation did not reveal any negative or derogatory information that would indicate any of the individual qualifiers lack integrity, honesty, and good character.

RSM additionally provided detailed reporting on its investigation and evaluation of DraftKings' corporate governance structure including its compliance program, its responsible gaming program, its Bank Secrecy Act and Anti-Money Laundering programs, its cybersecurity program and its incident response program. RSM's evaluation of these DraftKings programs changed significantly between the December 2024 hearing and the February 2025 hearing due to additional information and documentation provided by DraftKings. The Commission notes that obtaining much of this information from DraftKings took repeated requests from both the IEB and RSM and ultimately DraftKings only produced the requested materials after the first day of the adjudicatory hearing where the Commission made clear the necessity of full compliance. It is the Commission's expectation that future requests for information or documents are addressed in a timely and complete fashion.

The change in RSM's evaluation included the elimination of a high-risk category completely, the clearing of three other risk categories and the downgrading in risk rating of an additional three other areas of concern. The Commission acknowledges the diligent efforts of both RSM and the IEB in working with DraftKings to fully investigate areas of concern, acquire additional documentation and update their findings between December 2024 and February 2025. RSM ultimately concluded that DraftKings had no critical risk areas and had either addressed or was working to address all of the lower-level risk areas that were identified. The Commission expects that DraftKings will continue to keep the Commission updated with its progress in that respect including resolving any outstanding risk areas promptly.

The Commission recognizes DraftKings' obligation to maintain ongoing suitability as a licensee in the Commonwealth, and viewing the record as a whole, the Commission finds that there is clear and convincing evidence of DraftKings' durable suitability as well as the suitability of its individual qualifiers. The Commission also takes note of the IEB recommendation for conditions given the history of non-compliance events and litigation and agrees with that recommendation. Accordingly, in conjunction with the Commission's durable suitability determination the Commission notes that the following conditions will attach to DraftKings' license:

1. The positive determinations of suitability for the individual qualifiers is contingent on the condition that they provide updated fingerprints if the IEB becomes authorized to review them and no derogatory information surfaces from such review. In the event derogatory information is located, the IEB will alert the Commission for reevaluation of suitability.
2. Considering the Commission's concerns regarding the volume of DraftKings' noncompliance and civil litigation matters, DraftKings must provide a comprehensive update to the Commission within one calendar year from this decision.

- A. The update should include the status of its civil litigation and regulatory discipline matters and DraftKings' plans to reduce their frequency. The update shall not eliminate the ongoing requirement of DraftKings to keep the Commission apprised of these matters as they arise.
- B. DraftKings shall also provide regular updates on the status of civil action ESX L 008442-24, Lisa D'Alessandro vs. DraftKings, Inc., currently pending in Essex County, New Jersey. Said updates shall include copies of any substantive motion filings.

CONCLUSION AND ORDER

For the foregoing reasons, the Commission finds that DraftKings has demonstrated its suitability by clear and convincing evidence, and accordingly, issues a **POSITIVE** determination of suitability for it and its individual qualifiers subject to the licensing conditions outlined above.

SO ORDERED

MASSACHUSETTS GAMING COMMISSION



Jordan M. Maynard, Interim Chair



Eileen M. O'Brien, Commissioner



Bradford R. Hill, Commissioner



Nakisha L. Skinner, Commissioner



Paul Brodeur, Commissioner

DATED: ____ July 25 __, 2025