

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION

In the Matter of

Request of FBG Enterprises Opco, LLC
For a Durable Finding of Suitability

**DECISION GRANTING FBG ENTERPRISES OPCO, LLC
A DURABLE FINDING OF SUITABILITY**

DECISION AND ORDER

This matter came before the Massachusetts Gaming Commission (“Commission”) upon a request by FBG Enterprises Opco, LLC, doing business as Fanatics Betting and Gaming (“Fanatics”), for an adjudicatory hearing to consider a durable finding of suitability for a Category 3 sports wagering license. On April 30, 2025, the Commission conducted an adjudicatory hearing relative to the matter using remote collaboration technology. The hearing was 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. Chief Enforcement Counsel and Assistant Director of the Investigations and Enforcement Bureau (“IEB”) Kathleen Kramer represented the IEB and Attorney Adam Berger of Duane Morris LLP represented the petitioners. After hearing and deliberation on the matter, the Commission hereby **GRANTS** Fanatics a durable finding of suitability and finds Fanatics’ individual qualifiers suitable.

EXHIBITS

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

1. Notice of Hearing, dated April 2, 2025;
2. IEB Report Regarding Full Suitability Investigation in Re: The Application of FBG Enterprises Opco, LLC d/b/a Fanatics Betting and Gaming for a Category 3 Sports Wagering License (Tethered), dated April 1, 2025;
3. IEB Report Regarding Review for Preliminary Suitability, dated December 16, 2022;
4. Report Regarding Review for Financial Suitability of FBG Enterprises Opco, LLC d/b/a Fanatics Betting and Gaming, dated April 1, 2025;

5. Michael Conn Individual Qualifier Reports, dated April 1, 2025;
6. Andrea Ellis Individual Qualifier Reports, dated April 1, 2025;
7. Matthew King Individual Qualifier Reports, dated April 1, 2025;
- 7A. Updated Political Contributions History for Matthew King (2022-2023);
8. Michael Rubin Individual Qualifier Reports, dated April 1, 2025;
9. Glenn Schiffman Individual Qualifier Reports, dated April 1, 2025;
- 9A. Updated Litigation History for Glenn Schiffman (2020-2022);
10. Errata Sheet received from FBG Enterprises Opco, LLC;
11. FBG Remediation Plan and Factual Corrections for Cybersecurity Program and Incident Response;
12. FBG Remediation for AML Risk Assessment and Internal Audit, dated March 24, 2025;
13. FBG Updated License List as of March 2025;
14. FBG Ownership and Organizational Structure as of March 2025; and
15. FBG Finance Remediation Supplemental Response.

Several individuals spoke and/or testified at the hearing, including but not limited to:¹

- Michael Rubin, Chairman, President and CEO, Fanatics Holdings, Inc.
- Michael Banks, Civilian Investigator, IEB
- Chris Fitzgerald, RSM US LLP (“RSM”)
- Daniel Maas, RSM
- Alex Smith, SVP, Regulatory and Legal, FBG Enterprises Opco, LLC
- Mike Levine, Senior Regulatory Counsel, FBG Enterprises Opco, LLC
- Matthew King, CEO, FBG Enterprises Opco, LLC

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 2 – 15 as set forth above. The Commission sets forth the relevant facts contained in those exhibits.

¹ The witness list submitted for purposes of this adjudicatory hearing included a number of additional individuals who did not speak or offer testimony during the hearing.

Fanatics submitted an application for a Category 3 sports wagering operator license pursuant to G.L. c. 23N, § 6(b)(3), which included seven entity qualifiers and five individual qualifiers², 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 December 16, 2022.

On January 12, 2023, the Commission voted unanimously at a public meeting to allow Fanatics 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 Fanatics. Fanatics received its operations certificate on May 16, 2023 and began operations on May 25, 2023.

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 Fanatics. 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 Fanatics' application based on the legislative amendment to G.L. c. 23N, § 5(b) and 205 CMR 215.02, identifying Fanatics' entity and individual qualifiers. On September 14, 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 matters, by the Chief of the IEB's Financial Investigations Division. The IEB's Chief Enforcement Counsel managed, reviewed, and provided guidance for the investigation.

On April 30, 2025, the Commission held an adjudicatory hearing using remote collaboration technology to review Fanatics' request for a finding of durable suitability. The hearing was 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.

² The qualifiers included Kynetic F, LLC; Silverlake Partners IV, LP; Fanatics Holdings, Inc.; Fanatics Global Holdco, LLC; FBG Enterprises Topco, Inc; FBG Enterprises Holdco, Inc.; FBG Enterprises Intermediate Holdco, LLC; Matthew W. King; Glenn H. Schiffman; Andrea J. Ellis; Michael R. Conn; and Michael G. Rubin. Additional entities and individuals have since been designated as qualifiers and are undergoing separate suitability investigations.

ANALYSIS

On January 12, 2023, the Commission awarded Fanatics a preliminary finding of suitability in connection with its application for a sports wagering operator license, which was submitted in November 2022. That determination was based on a review 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), 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.

G.L. c. 23N, § 6(d); 205 CMR 215.01(2) and (3); 205 CMR 218.06(5)(f).

In reviewing Fanatics' request for a durable finding of suitability, the Commission heard testimony regarding Fanatics' entity qualifiers, individual qualifiers, financial suitability, and its compliance and litigation history. Some testimony was given during a private session held in accordance with 205 CMR 101.01(7) due to its sensitive and/or competitive nature. No evidence of adverse findings with respect to any individual qualifier or entity qualifier was disclosed. The investigation did not reveal any negative or derogatory information that would indicate that any of the individual qualifiers lacked the requisite integrity, honesty, or good character. Further, there were no concerns as to Fanatics' financial suitability.

RSM provided additional detailed reporting on its investigation and evaluation of Fanatics' corporate governance structure, including its compliance program, its Responsible Gaming program, its Bank Secrecy Act and Anti-Money Laundering program, and its Cybersecurity program. Testimony related to said topics was also provided in private session pursuant to 205 CMR 101.01(7) due to its sensitive and/or competitive nature. RSM concluded that Fanatics had no critical or high-risk areas in these programs and was working to address the moderate and low risk areas that were identified. In addition to conditions as noted below, the Commission expects that Fanatics will continue to keep the Commission updated with its progress in addressing said risks, including resolution of any outstanding risk areas.

The Commission is encouraged by Fanatics' marketing efforts, particularly in regard to those individuals under the age of 21 who may be customers in one of Fanatics' other business verticals. The Commission acknowledges the changes made in their marketing approach to the noted vulnerable age group in the period since preliminary suitability was granted in response to Commission concerns and lauds Fanatics for taking a more definitive approach.

Recognizing Fanatics' 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 Fanatics' durable suitability as well as the suitability of its individual qualifiers. In conjunction with the Commission's durable suitability determination, the Commission notes that the following conditions will attach to Fanatics' license:

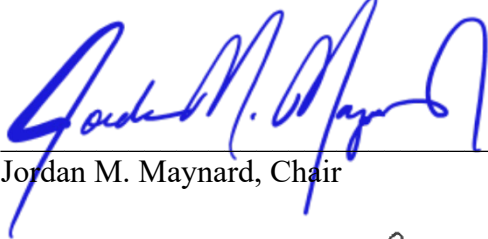
1. The positive determination of suitability for the individual qualifiers is contingent upon the condition that they provide updated fingerprints if the IEB becomes authorized to review them and no derogatory information surfaces from such review. In the event that derogatory information is located, the IEB will alert the Commission for reevaluation of suitability.
2. Noting that several areas of moderate risk were found in the review of Fanatics' Cybersecurity program, Fanatics must provide an update to the IEB within twelve (12) months of the date of issuance of this decision, including any remedial measures taken and improvements made during that time to address said risks. Such moderate risk areas include Business Environment, Access Control, Asset Management, Application and Data Security, Recovery, and Monitoring of Open and Closed Sources.
3. Fanatics must provide updates to the IEB regarding the status of the Gaming Compliance Committee, including any changes to the membership, any meetings held, the cadence of any future meetings, and agenda items of said meetings, within six (6) months of the date of issuance of this decision. Fanatics must further provide to the IEB copies of meeting minutes for any meetings held by said Committee.

CONCLUSION AND ORDER

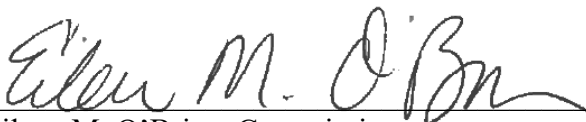
For the foregoing reasons, the Commission finds that Fanatics has demonstrated its suitability by clear and convincing evidence, and accordingly, issues a **POSITIVE** determination of suitability for it and its individual qualifiers subject to the licensing conditions outlined above.

SO ORDERED

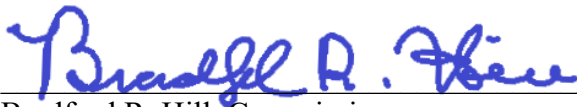
MASSACHUSETTS GAMING COMMISSION

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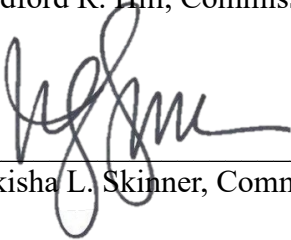
Jordan M. Maynard, Chair

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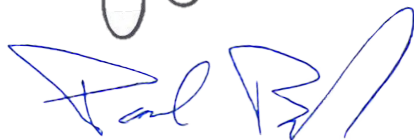
Eileen M. O'Brien, Commissioner

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Bradford R. Hill, Commissioner

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Nakisha L. Skinner, Commissioner

A blue ink signature of Paul Brodeur, written in a cursive style.

Paul Brodeur, Commissioner

DATED: August 8, 2025