

**BEFORE THE CASINO CONTROL COMMISSION
STATE OF OHIO**

IN THE MATTER OF	:	
	:	
Crown OH Gaming, LLC,	:	Case Nos. 2022-SGR-002 &
Advertising Violations.	:	2023-SGR-002

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Crown OH Gaming, LLC (“DraftKings”) and the Ohio Casino Control Commission (“Commission”) for the purpose of resolving Commission Case Nos. 2022-SGR-002 and 2023-SGR-003. Together, DraftKings and the Commission are referred to as “the parties.”

WHEREAS, the Commission is responsible for the administration and enforcement of R.C. Chapters 3772 and 3775 and the rules adopted thereunder, which regulate the conduct of sports gaming in the State of Ohio;

WHEREAS, DraftKings is a Mobile Management Services Provider (“MMSP”) and Management Services Provider (“MSP”) Licensee in Ohio;

WHEREAS, the Commission, pursuant to its authority to regulate, investigate, and penalize MMSP or MSP licensees, discovered violations of Ohio law;

WHEREAS, as a result of this discoveries, the Commission issued two Notices of Violation and Opportunity for Hearing (“Notices”), dated December 30, 2022 and January 5, 2023 to DraftKings, pursuant to and in accordance with R.C. Chapters 119, 3772, and 3775 and Ohio Adm.Code Chapters 3775-1 and 3775-4;

WHEREAS, the Commission procedurally complied with R.C. Chapters 119, 3772, and 3775 and established jurisdiction over these matters;

WHEREAS, DraftKings timely requested a hearing on Commission Case Nos. 2022-SGR-002 and 2023-SGR-02 and no hearings on these matters have been held; and

WHEREAS, Commission Case Nos. 2022-SGR-002 and 2023-SGR-002 have not yet been brought before the Commission for final adjudication, as required by R.C. Chapters 119, 3772, and 3775, and the parties enter this Agreement in lieu of further hearings or the issuance of a final adjudicatory order by the Commission.

NOW THEREFORE, in consideration of the mutual promises expressed herein, and with intent to be legally bound, the parties **AGREE** as follows:

1. DraftKings Admissions

A. Commission staff discovered incidents that violated Ohio law.

B. As a result, the Commission issued the Notices, Case Nos. 2022-SGR-002 and 2023-SGR-002 providing DraftKings with an opportunity for a hearing to contest the allegations.

C. Advertising Violations:

i. On or about November 28, 2022, DraftKings, or its affiliate marketer, mailed approximately 2,582 advertisements addressed directly to named individuals under the age of twenty-one. The advertisements encouraged the recipient to download the DraftKings Sportsbook app, scan the provided QR code, and claim \$200 in free bets. This occurred due to a filtering error that applied filtering for an 18+ audience rather than 21+. DraftKings, or its affiliate marketer, sent advertisements that targeted individuals under the age of twenty-one in violation of R.C. 3775.02(A)(10)(c) or Ohio Adm.Code 3775-16-08(B)(2) or (I).

ii. Between January 1, 2023, and January 3, 2023, DraftKings, or its affiliate marketer, ran sports gaming advertisements in which the message designed to prevent problem gambling and provide information on how to access resources related to problem gambling, including an approved helpline, was not clear or conspicuous in violation of R.C. 3775.02(B)(10)(d) and Ohio Adm.Code 3775-16-08(A)(3) and (I).

iii. Between January 1, 2023, and January 3, 2023, DraftKings, or its affiliate marketer, advertised promotions or bonuses described as “free” when a patron was required to risk their own money to obtain the promotion in violation of R.C. 3775.02(B)(10)(a) and (e) and Ohio Adm.Code 3775-16-08(B)(4) and 3775-16-09(D).

2. Pursuant to this Agreement, Commission Case Nos. 2022-SGR-002 and 2023-SGR-002 are **ADMINISTRATIVELY CLOSED**. Accordingly, the Commission makes no specific findings regarding the allegations described in the Notices.

3. The Admissions contained in Paragraph 1 of this Agreement by itself will not be a basis for future action against DraftKings, but does not limit the authority of the Commission to investigate, enforce, or penalize DraftKings for violation of Ohio law. The

Commission makes no further statements or representations with respect to the admissions referenced or DraftKings' compliance with Ohio law.

4. Nothing in this Agreement limits the Commission's authority to take any action authorized under R.C. Chapters 3772, 3774, 3775, or the rules adopted thereunder, including, but not limited to, the authority to investigate or penalize DraftKings for violations of Ohio law.
5. DraftKings will pay monetary fines consisting of \$350,000 in Commission Case No. 2022-SGR-002 and \$150,000 in Commission Case No. 2023-SGR-002, for a total amount of \$500,000.00.
6. DraftKings will ensure, and demonstrate to the Commission, that its personnel are properly trained on all laws and company policies or procedures relevant to each employee's individual function, as it relates to the admissions in Paragraph 1.
7. DraftKings will take measures to ensure that individuals in DraftKings' database who failed Know Your Customer checks shall not be targeted for marketing unless or until DraftKings can verify the age of the individual.
8. Upon the date of the last signature of the parties, this Agreement is effective and binding upon the parties and any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates.
9. The parties have read and understand this Agreement and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel.
10. This Agreement is entered into by the parties and may be executed in counterparts or facsimiles, each of which will be deemed an original and all of which will constitute the same instrument.
11. This Agreement contains the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements and understanding, oral or written, with respect to such matters. This Agreement may be modified only by a further writing that is duly executed by the parties.
12. The provisions of this Agreement are severable and independent; and, if any provision is determined to be unenforceable, in whole or in part, then such provision shall be enforced to the maximum extent permissible and the remaining provisions shall remain binding and enforceable.

13. This Agreement is governed by and construed in accordance with the laws of the State of Ohio, and the exclusive venue for any cause of action arising from it will be a court of competent jurisdiction in the State of Ohio, County of Franklin.

(Remainder of page intentionally left blank; Signature page follows)

IN WITNESS WHEREOF, the parties to this **SETTLEMENT AGREEMENT** have either executed it or caused it to be executed by their duly authorized representatives:

Accepted by:

DocuSigned by:
Paul Liberman
025D17463556485

Crown OH Gaming, LLC
By: Paul Liberman, President

February 8, 2023

Date

[Handwritten Signature]

Ohio Casino Control Commission
By: June E. Taylor, Chair

Feb. 15, 2023

Date