

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

IN THE MATTER OF

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Case No. 2022-SGL-001

**PlayUp Interactive OH Inc.,
Mobile Management Services Provider
License Application.**

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between PlayUp Interactive OH Inc. ("PlayUp") and the Ohio Casino Control Commission ("Commission") for the purpose of resolving Commission Case No. 2022-SGL-001. Together, PlayUp and the Commission are referred to as "the parties."

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

WHEREAS, PlayUp applied for a Mobile Management Services Provider ("MMSP") License in Ohio;

WHEREAS, the Commission, pursuant to its authority to regulate, investigate, and penalize, identified violations of Ohio law during the course of its suitability investigation of PlayUp;

WHEREAS, as a result of this identification, the Commission issued a Notice of Opportunity for Hearing ("Notice"), dated December 2, 2022, to PlayUp, pursuant to and in accordance with R.C. Chapters 119, 3772, and 3772 and Ohio Adm.Code Chapters 3775-1 and 3775-04;

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

WHEREAS, Commission Case No. 2022-SGL-001 has 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 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. PlayUp Admissions:

- A. During its suitability investigation, Commission staff discovered practices that violated Ohio law.
- B. As a result, the Commission issued the Notice, Case No. 2022-SGL-001, providing PlayUp with an opportunity for a hearing to contest the allegations.
- C. PlayUp timely requested a hearing and seeks to resolve this matter without an administrative hearing.

D. Violations:

- i. PlayUp offered a third-party product (“Slots+”) which accepted prohibited wagers, including the slots, lottery, virtual sports, match 3, and scratchers offerings from individuals located in Ohio after June 2021, in violation of R.C.3775.09;
 - ii. PlayUp participated in conducting or facilitated the conduct of the Slots+ product in this state by or through affiliates or those in control of PlayUp, including the slots, contests, lottery, virtual sports, match 3, and scratchers offerings, in violation of R.C. 3775.041 and Ohio Adm.Code 3775-4-05:
 - a. Bookmaking under R.C. 2915.01 or 2915.02;
 - b. Games or schemes of chances under R.C. 2915.01 or 2915.02;
 - c. Operating unlicensed casino gaming or casino gaming other than in a manner authorized by Chapter 3772 of the Revised Code, as prohibited by R.C. 3772.08, 3772.09, or 3772.99; and
 - d. Operating unlicensed sports gaming or sports gaming other than in a manner authorized by Chapter 3775 of the Revised Code, as prohibited by R.C. 3775.03 or 3775.99; and
 - iii. PlayUp engaged in false, deceptive, misleading, or otherwise impermissible advertising by advertising the Slots+ product as legal gaming in the state of Ohio, in violation of Ohio Adm.Code 3772-13-02 or 3775-16-08.
- E. While PlayUp does not contest the findings and agrees to the settlement, by way of mitigation, PlayUp sets forth that:

- i. The decision to offer the Slots+ product was made by an executive that is no longer with PlayUp;
 - ii. PlayUp has implemented compliance protocols and procedures, self-audits, and further due diligence, including for third-party products, to mitigate the possibility of reoccurrence; and
 - iii. PlayUp diligently and candidly complied with the Commission's investigation into PlayUp's offering of the Slots+ product - up to and including timely compliance with the Cease-and-Desist Order.
2. The Admissions contained in Paragraph 1 of this Agreement by itself will not be a basis for future action against PlayUp, but does not limit the authority of the Commission to investigate, enforce, or penalize PlayUp for new violations of Ohio law. The Commission makes no further statements or representations with respect to the admissions referenced or PlayUp's compliance with Ohio law.
3. Pursuant to this Agreement, Commission Case No. 2022-SGL-001 is **ADMINISTRATIVELY CLOSED**. Accordingly, the Commission makes no specific findings regarding the allegations described in the Notice.
4. Nothing in this Agreement limits the Commission's authority to take any action authorized under R.C. Chapters 3772 or 3775 or the rules adopted thereunder, including, but not limited to, the authority to investigate or penalize PlayUp for new violations of Ohio law.
5. PlayUp will pay a monetary fine in the amount of \$90,000.00 within 30 days of the date of this Agreement.
6. PlayUp's MMSP application will be withdrawn and the Commission will take no further action on the application.
7. PlayUp will not reapply for gaming-related licensure in Ohio for four years from the date of this Agreement.
8. PlayUp will seek approval from the Commission of all product offerings ninety days before seeking to apply for licensure.
9. PlayUp will pay restitution to all Ohio customers who experienced losses as a result of playing the Slots+ product and provide the Commission with confirmation that restitution has been made within 90 days of the date of this Agreement, including a list of all amounts paid. PlayUp will notify the Commission if restitution to an Ohio

customer is not possible and will also report the restitution amount as unclaimed funds pursuant to R.C. 169.11.

10. This Agreement is effective upon the date of the last signature of the parties.
11. This Agreement is legally enforceable against all parties and any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates. For the avoidance of all doubt, the purpose of this provision is to ensure that all parties and their successors, assigns subsidiaries, agents, employees, or representatives of the parties or any other affiliates;
 - i. Cannot challenge the validity of this Agreement in any forum; and
 - ii. Comply with the terms of this Agreement.
12. 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.
13. 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.
14. 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.
15. The provisions of this Agreement are severable and independent; and, if any provision is determined to be unenforceable, in whole or in part, the remaining provisions and any partially enforceable portion of the subject is nevertheless binding and enforceable.
16. 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:

Richard Paul Sapsford

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PlayUp Interactive OH Inc.

By: Richard Sapsford, Chairman

30 March 2023

Date

Thomas J. Stickrath

Ohio Casino Control Commission

By: Thomas J. Stickrath, Chair

4/19/23

Date