

Chapter 35: LICENSE APPLICATION

- §1. An applicant for a license to act as a fantasy contest operator shall apply on forms specified by the director. In addition to the information required by 8 M.R.S. §§ 1103-1104, an applicant must provide the following information:
1. The physical address of the applicant's principal place of business and the designated contact person for the applicant including a telephone number, address and email address for that contact.
 2. Disclosure of ownership interests. A disclosure of the true ownership interests of the fantasy contest operator as follows:
 - A. The names, addresses, phone numbers, email addresses and dates of birth of the applicant's directors and officers.
 - B. The percentages of shares of stock, if any, held by each person named in paragraph A above.
 - C. For limited liability companies (hereinafter, "LLC"), including professional LLCs, provide the full name, address, date of birth and telephone number of each member of the LLC having an ownership interest of five percent (5%) or more of the LLC. If the member is not a natural person, disclose the true ownership of the member (and successive levels of ownership, if necessary) until a natural person or another corporate entity is disclosed. If another corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary).
 - D. For general, limited, or limited liability partnerships, provide the full name, address, date of birth and telephone number of each partner having an ownership interest of five percent (5%) or more of the partnership. If the partner is not a natural person, disclose the true ownership of the partner (and successive levels of ownership if necessary) until a natural person, or another corporate entity, is disclosed. If another corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary).
 - E. For a corporation, provide the full name, address, date of birth and telephone number of any natural person or entity having an ownership interest of five percent (5%) or more of the outstanding shares of the corporation. If a corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary).

- F. The intent of this rule is to require, to the fullest extent that the individual or corporate structure of an applicant allows, disclosure of names of individual natural persons who have a significant ownership interest in a fantasy contest operator.
3. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as of the close of the most recent fiscal quarter;
 4. A copy of the Certificate of Authority to do business in the State of Maine, if incorporated outside of Maine;
 5. Copies of any trade name registrations filed by the applicant;
 6. Completed notarized affirmation and consent and authorization to release information to complete a criminal background check on: the applicant; any officer or director of the applicant; and any partner or shareholder who has an ownership interest of five percent (5%) or more in the fantasy contest operator or who is involved in the day to day management of fantasy contests and operations;
 7. A copy of the minimum internal controls adopted to verify the identity of individuals seeking to establish accounts;
 8. The applicant's minimum internal controls related to protection of fantasy contestant deposits, including minimum internal controls related to the following:
 - A. Prevention of unauthorized withdrawals from fantasy contestant accounts by fantasy contest operators or others;
 - B. Reporting and responding to complaints by a fantasy contestant regarding the handling of the fantasy contestant account; and
 - C. Closure of fantasy contestant accounts.
 9. The applicant's minimum internal controls related to account monitoring to prevent cheating, manipulation or misuse of accounts, including minimum internal controls related to the following:
 - A. Detection and prevention of misuse of proxy servers;
 - B. Location verification;
 - C. Prevention of the use of unauthorized 3rd party scripts; and
 - D. Prevention of the use of pre-selected teams.
 10. The applicant's minimum internal controls relating to fantasy contests for beginner fantasy contestants, including minimum internal controls related to the following:

- A. Explanation of contest play;
 - B. Identification of highly experienced fantasy contestants, including symbols or other identification used;
 - C. Recommending beginner-fantasy-contestant-only contests and low-cost private contests;
 - D. Percentage of contests open only to beginner fantasy contestants and that exclude highly experienced fantasy contestants;
 - E. Prevention of access by highly experienced fantasy contestants to contests for beginner fantasy contestants directly or through a proxy; and
 - F. Suspension of accounts of highly experienced fantasy contestants who participate in contests for beginner fantasy contestants only.
11. The applicant's minimum internal controls relating to the locking of or making any changes to fantasy contests;
12. The applicant's minimum internal controls relating to ensuring that winning outcomes of fantasy contests reflect the relative knowledge and skill of the fantasy contestant and that winning outcomes of fantasy contests are determined primarily by accumulated statistical results of the performance of human competitors in sports events;
13. The applicant's minimum internal controls relating to not allowing the deposit of funds into an account that is derived from the extension of credit by affiliates or agents of the fantasy contest operator. For purposes of this subsection, credit shall not be deemed to have been extended where, although funds have been deposited into an account, the operator is awaiting actual receipt of such funds in the ordinary course of business;
14. The applicant's minimum internal controls that:
- A. Make clear that the funds in the segregated account do not belong to the fantasy contest operator and are not available to creditors other than the fantasy contestant whose funds are being held;
 - B. Prevent commingling of funds in the segregated account with other funds including, without limitation, funds of the operator;
 - C. Disclose the number of entries that a fantasy contestant may submit to each fantasy contest and provide reasonable steps to prevent fantasy contestants from submitting more than the allowable number;
 - D. Prohibit fantasy contestants from submitting more than one entry in any fantasy contest involving 12 entries or fewer;
 - E. Prohibit fantasy contestants from submitting more than 2 entries in any fantasy contest involving more than 12 entries but fewer than 36 entries;
 - F. Prohibit fantasy contestants from submitting more than 3 entries in any fantasy

contest involving 36 or more entries but fewer than 101 entries;

- G. Prohibit, unless otherwise provided by M.R.S. Title 8, Chapter 33, fantasy contestants from submitting more than 3% of all entries in any fantasy contest involving more than 100 entries;
- H. Permit unlimited entries in no more than 3% of all fantasy contests; the entry fee for such contests must be a minimum of \$150;
- I. Inform fantasy contestants of state and federal tax obligations on certain winnings;
- J. Include policies and procedures relating to assistance available for compulsive behavior; and
- K. Include policies and procedures relating to implementation and enforcement of self-limitations for up to 364 days and self-exclusions according to Title 8, chapter 31, §1003, 3, I., (1) and chapter 35-A requested by fantasy contestants.

§2 Internal controls must be approved by the director prior to licensure.

§3 Review of the applicant's application will not begin until receipt of the application fee.

§4 The application, as well as other documents submitted to the director or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of the attorney's knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.

§5 To the extent, if any, that the applicant becomes aware that information of a material nature supplied in the application or otherwise supplied by the applicant or on the applicant's behalf, becomes outdated, inaccurate or incomplete, the applicant shall so notify the director in writing within 10 business days and shall at that time supply the information necessary to correct the timeliness, inaccuracy or incompleteness of the information.

§6 The applicant shall cooperate fully with the director and the Gambling Control Unit with respect to the background investigation of the applicant.

STATUTORY AUTHORITY: 8 M.R.S. §§ 1102(1)(D), 1106

EFFECTIVE DATE: June 13, 2021

1. Each fantasy contest operator shall propose a responsible wagering program as an element of its license application. An operator shall maintain its plan for as long as the operator accepts contestants in the State of Maine. An operator may propose amendments to its responsible wagering program provided it submits the amendment for approval by the Director at least thirty (30) calendar days before the proposed effective date of any changes to the plan.
2. The responsible wagering program shall include, at a minimum, the following universal exclusion list requirements:
 - A. A clear statement of policy and commitment, training, procedures, and certification of implementation to begin at time of licensure;
 - B. A process for individuals to make a request to be placed on the universal exclusion list on a form(s) approved by the Director, which shall include:
 - (1) Any person may request to be added to the universal exclusion list pursuant to these rules by appearing in person at an office of the State of Maine Gambling Control Unit; or
 - (2) An affiliate office of the Problem Gambling Services Provider of the Maine Center for Disease Control and Prevention; or
 - (3) Links provided by the Gambling Control Unit or fantasy contest operator website to the problem gambling service provider for a virtual request to the universal exclusion list.
 - C. A procedure to satisfy and or close prior participation in contests and accounts before being accepted to the universal exclusion list;
 - D. A procedure for preventing or cancelling a wager from a fantasy contest operator who is on the universal exclusion list;
 - E. Identify the procedures designed to prevent promotional materials or communications from being directed specifically to individuals who have been added to the universal exclusion list, applied a restriction on their account or who have requested that they not receive such materials or communications;
 - F. A clear and conspicuous display on the operator's website(s), mobile app(s) or advertisements indicating that it is unlawful for a person under eighteen (18) years of age to wager on fantasy contests in the State of Maine;
 - G. A plan for providing comprehensive responsible wagering training to employees who may interact with fantasy contest operator employees to respond to circumstances in which fantasy contest account activity may indicate signs that are consistent with gambling addiction, including annual refresher training;
 - H. Time frames available for placement on the universal exclusion list shall be available for terms of one, three, five years or lifetime. The expiration will occur on the last day of the month of the original request for placement on the universal exclusion list;

- I. Once a time frame is selected, the person requesting exclusion will serve the entire duration of the exclusion period except, in the case of lifetime exclusion, the person may petition the Board for removal from the self-exclusion list after five years;
3. The Gambling Control Unit will maintain the official universal exclusion list and notify each fantasy contest operator of any addition to or deletion from the list by password protected electronic mail or fax and on a monthly basis will provide the entire list.
4. A responsible wagering program shall include, at a minimum, the following restriction requirements:
 - A. A clear statement of policy and commitment, training, procedures, and certification of implementation to begin at time of licensure or within 90 days of the rule adoption of this chapter;
 - B. A process for the fantasy contest operator to prevent individuals who have requested restrictions from placing wagers. For each individual who makes such a request, operators shall provide the individual with additional responsible wagering resources; and
 - C. Restrictions shall be offered at a minimum for the following:
 - (1) Amounts wagering;
 - (2) Time from wagering;
 - (3) Deposit amounts; and
 - (4) Session-times.
5. A plan for making responsible wagering information available and legible on the operator's website(s), mobile app(s) or advertisements including publication of the 1-800 GAMBLER helpline or other publication approved by the director.
6. The height of the font used for responsible wagering messaging must be at least the same size as the majority of the text used in the operator's webpage or profile page.
7. Information furnished to or obtained by the Director pursuant to this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter or as required by statute.
8. Sports wagering licensees, their employees, or agents thereof, may not disclose the universal exclusion list or any information about a person who has requested to be on the universal exclusion list except as necessary to comply with this chapter or as otherwise required by law.