

Responses by Steve Brubaker on the behalf of the Small Businesses of Fantasy Sports Trade Association (SBFSTA) to “Additional Questions for the Record” submitted by Congressman Gregg Harper.

- 1. Self-exclusion for problem gamers is an issue that has been raised in this context because of the serious amount of money at stake in daily fantasy sports. How is the self-exclusion principle implemented in the daily fantasy sports marketplace? Is there a central hub for all of the operators to exchange information securely?**

SBFSTA Response:

The Small Businesses of Fantasy Sports Trade Association is unaware of any industry-wide mechanism in place for the implementation of self-exclusion outside of internal company best practices. Furthermore, the state-by-state approach to legalization and regulation creates a “Swiss cheese” approach to the problem as some states are contemplatively considering self-exclusion, and others are doing little. Congress needs to act on this issue, just as they did in 2006 when they exempted season-long fantasy sports from the Unlawful Internet Gambling Enforcement Act (UIGEA). With UIGEA the Congress marked this territory as their own and are now noticeably absent from the process. Without federal action, there can never be a central hub for the secure exchange of information by all operators. States are simply unable to require other states to use a central hub, which would obviously be beneficial to players who have a problem gambling on daily fantasy sports sites.

- 2. Can you describe the different types of games available on your members’ websites, particularly the different types of contests offered in the daily fantasy sports category. I have heard about head-to-head contests that could have entry fees as high a thousand dollars. Would a player, who is signing onto a site for the first time, have any idea if they were playing in a head-to-head contest with a highly skilled player or “shark”?**

SBFSTA Response:

The Small Businesses of Fantasy Sports Trade Association represents mainly season-long companies and I am not certain if our daily members offer the types of games you are asking about, so what I have done is log on to my own account at FanDuel (which I initiated solely to gain an understanding of the GIANT daily companies – (I lost my \$25 in about three days)) and printed a screen shot of the games they were offering at the time on that day. That screen shot is attached. You will notice that I have ordered the offerings by entry fee from the highest to lowest.

They do have a single game that requires a \$1065 entry fee and is open to 40 players. I looked through the entire list of offerings (3 ½ pages) and did not see any head-to-head contests on that day at that time. You'd need to inquire of FanDuel for more information on their head-to-head offerings. To answer the second part of your question, all first time players should assume that they are less experienced than the folks already on the site and caveat emptor should apply to everything we do in life – fantasy sports included. However, the identification of highly skilled players on daily fantasy sports sites should be mandated for all sites in all states. That will never occur unless Congress acts on this issue. The “patchwork” approach to regulation of the daily fantasy sports industry will NEVER provide the types of consumer protections needed to safeguard every person who wants to play daily fantasy sports. Congress green-lit season-long fantasy sports in 2006 when they passed UIGEA. Daily fantasy sports squeezed through that door a few years later and now we have a mess that only the United States Congress can clean up if uniformity in consumer protections is the goal.