

**CHAPTER 1204a. FANTASY CONTEST LICENSES**

Sec.

1204a.1. Fantasy contest license issuance and statement of conditions.

1204a.2. Licensed fantasy contest operator change of ownership or control.

**Authority**

The provisions of this Chapter 1204a added under 4 Pa.C.S. §§ 311, 1202(b)(30) and 13F06(a), unless otherwise noted.

**Source**

The provisions of this Chapter 1204a adopted July 30, 2021, effective July 31, 2021, 51 Pa.B. 4229, unless otherwise noted.

**§ 1204a.1. Fantasy contest license issuance and statement of conditions.**

(a) *Issuance criteria.* In addition to the criteria in 4 Pa.C.S. Chapter 3 (relating to fantasy contests), the Board will issue or renew a fantasy contest license if all of the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board or contained in 4 Pa.C.S. Chapter 3, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a fantasy contest license.

(b) *Statement of conditions.*

(1) The applicant, as a condition precedent to the issuance of a fantasy contest license, shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against a licensee.

**§ 1204a.2. Licensed fantasy contest operator change of ownership or control.**

(a) A licensed fantasy contest operator shall notify the Board upon becoming aware of any proposed change of ownership of the licensed fantasy contest operator by a person or group of persons acting in concert which involves any of the following:

(1) more than 15% of a licensed fantasy contest operator's securities or other ownership interests.

(2) the sale, other than in the ordinary course of business, of a licensed fantasy contest operator's assets.

(3) any other transaction or occurrence deemed by the Board to be relevant to fantasy contest license qualifications.

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(b) Notwithstanding the provisions of subsection (a), a licensed fantasy contest operator shall not be required to notify the Board of any acquisition by an institutional investor under subsection (a)(1) or (2) if the institutional investor holds less than 10% of the securities or other ownership interests referred to in subsection (a)(1) or (2), the securities or interests are publicly traded securities and its holdings of such securities were purchased for investment purposes only and the institutional investor files with the Board a certified statement to the effect that the institutional investor has no intention of influencing or affecting, directly or indirectly, the affairs of the licensed fantasy contest operator. However, the institutional investor may vote on matters put to the vote of the outstanding security holders. Notice to the Board shall be required prior to completion of any proposed or contemplated change of ownership of a licensed fantasy contest operator that meets the criteria of this section.

(c) For purposes of this section, a change of control of a licensed fantasy contest operator will be deemed to have occurred when a person or group of persons acquires:

(1) more than 20% of a licensed fantasy contest operator's securities, assets or other ownership interests.

(2) more than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensed fantasy contest operator.

(3) any other interest in a licensed fantasy contest operator which allows the acquirer to control the licensed fantasy contest operator.

(d) A licensed fantasy contest operator shall notify the Bureau and the Bureau of licensing by filing a notification of proposed transfer of interest form immediately upon becoming aware of any proposed or contemplated change of control of the licensed fantasy contest operator.

(e) Prior to acquiring a controlling interest in an licensed fantasy contest operator, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals and key employees.

(f) A person or group of persons seeking to acquire a controlling interest in a licensed fantasy contest operator shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(g) A person or group of persons may not acquire a controlling interest in a licensed fantasy operator until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest

in a licensed fantasy contest operator and the licensed fantasy contest operator may enter into an agreement of sale that is contingent on Board approval of the petition.

(h) The requirements in this section do not apply to the acquisition of a controlling interest in a licensed fantasy contest operator when all of the following conditions are met:

- (1) The acquirer is an existing licensed fantasy contest operator.
- (2) The existing licensed fantasy contest operator has provided the Bureau and the Bureau of licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.
- (3) After reviewing the documentation, the Bureau and the Bureau of licensing determine that the filing of a petition is not required.

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