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November 2, 2015

The Honorable Kamala Harris
Attorney General
California Department of Justice
P.O. Box 944255
Sacramento, CA 94244-2550

Dear Attorney General Harris:

This letter is to respectfully request that your office take action to order FanDuel, DraftKings and other fantasy sports betting websites to immediately discontinue business in California.

Fantasy sports betting is currently not allowed under California law. Section 19801 (d) of the Business & Professions Code specifically states:

“(d) . . . no person in this state has a right to operate a gambling enterprise except as may be expressly permitted . . .”

However, online fantasy sports betting companies believe that their games are legal under federal and state laws because they assert that theirs are “games of skill” not “games of chance” and therefore, not “gambling.”

Even if the games are viewed as games of skill, they should still specifically be regulated under California law before the games can operate in California. Nevada regulators have examined this issue closely and recently ordered online fantasy sports betting sites to shut down unless they apply for and receive a Nevada gambling license.

Nevada regulators have stated that although the sites’ representatives publicly state they do not believe daily fantasy sports involve “wagers” or “bets” they do use the terms “betting” and “wagering” when they are not dealing with law enforcement agencies.

Online fantasy sports betting insiders have also been found to use trends to give them an unfair advantage over other online fantasy sports betting players. The New York Attorney General is investigating this and has requested detailed information from both FanDuel and DraftKings.

California gaming laws protect against this kind of unfair gaming activity.

California law provides for broad protections for consumers. But right now, online fantasy sports betting sites are operating in a self-regulated fashion with no state oversight whatsoever. Absent regulatory oversight, online fantasy sports betting players have no real protections in law or in practice.

Nevada, Arizona, Iowa, Louisiana and Washington are investigating or have already taken action to shut down or regulate these games in those states.

These games should be shut down in California until California law is made clear and consumers are protected. Both FanDuel and DraftKings have agreed not to operate in states where state regulators have advised them not to operate.

Thank you for your consideration of this request, and please feel free to call me at (916) 319-2010 if you have any questions or if I can be of assistance.

Sincerely,



MARC LEVINE

ML:np