



New Jersey Office of the Attorney General

Division of Consumer Affairs
Fantasy Sports Unit
124 Halsey Street, 7th Floor
Newark, New Jersey 07101
(973) 273-8077

Instructions for Fantasy Sports Operator Permit Application

1. Pursuant to N.J.S.A. 5:20-1 et seq., all businesses seeking to conduct “fantasy sports activities” (as defined by N.J.S.A. 5:20-2) in the State of New Jersey, must apply to the Division of Consumer Affairs (Division) for the issuance of a permit.
2. This application must be completed and filed with the Division to determine if a permit will be issued.

Please forward to:

Division of Consumer Affairs
Fantasy Sports Unit – 7th Floor
 124 Halsey Street
 Newark, New Jersey 07101

3. Enter all information and answer all questions completely. It is your responsibility to ensure that the information provided in this application is complete, accurate and truthful. Failure to provide complete, accurate and truthful information may result in delays or denial of the application.
4. Please attach relevant documentation and explanation sheets if necessary.
5. The application must be dated and signed by an authorized individual of the operator. All entities and individuals identified on this application have the affirmative responsibility and continuing duty to cooperate in any inquiry or investigation conducted by the Division and to provide any assistance or information requested or required by the Division.
6. Enclose a check made payable to the “State of New Jersey” for a nonrefundable, nontransferable application fee in the amount of \$ 500.00.
7. Once the application has been approved by the Division, you will receive a Permit Activation Form. Please complete the Permit Activation Form and submit the annual permit fee in the form of a check or money order, payable to the “State of New Jersey”, in the amount set forth on the Permit Activation Form. The annual permit fee shall be based upon the applicant’s “fantasy sport gross revenue” (as defined by N.J.S.A. 5:20-2) from the previous year in accordance with the following schedule:

\$ 0 - \$ 49,999	Permit Fee: \$ 5,000.00
\$ 50,000 - \$ 99,999	Permit Fee: \$ 10,000.00
\$100,000 - \$250,000	Permit Fee: \$ 20,000.00
Over \$250,000	Permit Fee: \$ 50,000.00
8. A holder of a Fantasy Sports Operator Permit shall renew the permit not later than twelve (12) months after the date of issuance.
9. Sign the application in the presence of a notary public. Your application must be notarized or it will be returned to you, which will delay the permitting process.
10. Information that you provide on this application (including the address of record) may be subject to public disclosure as required by the Open Public Records Act (OPRA).



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Fantasy Sports Operator Permit Application

Please print clearly.

Date completed: _____

Section 1 - Fantasy Sports Operator Information

A) Name of Applicant: _____

Doing Business as (DBA) or Trading as (TA): _____

Main Business Address: _____
Street address City State ZIP code County

Telephone number: _____ Fax number: _____
(Include area code) (Include area code)

Federal Employer Identification Number: _____ Website address: _____

Mailing Address: _____
(If different from main business address.) Street address City State ZIP code County

Date of incorporation or formation: _____

State of incorporation or formation: _____

Applicant's Fiscal Year: _____

Attach a copy of the Applicant's most recent financial audit.

B) Applicant's Primary Contact person: _____ Positon/Title: _____

Address: _____
Street address City State ZIP code County

Telephone number: _____ Email address: _____
(Include area code)

C) Individual completing application: _____
Last name First name Middle initial

Positon/Title: _____

Telephone number: _____ Email address: _____
(Include area code)

D) Attach the Applicant's articles of incorporation or formation, by-laws, operating agreement, good standing certificate from State of incorporation or formation and certificate of authority to conduct business in the State of New Jersey.

Attach a copy of the Applicant's contract with a certified public accountant designated to perform an annual financial audit which shall include an addendum providing a breakdown for each quarter setting forth the total entry fees, total prizes, total N.J. entry fees, and the amount in the participant account for participants in New Jersey. (N.J.A.C. 13:45A-36.10)

If the Applicant is a corporation, limited liability corporation, partnership or any other form of legal entity authorized to conduct business provide: (please attach separate sheets)

1. The name, including former or assumed names, the address of the corporate headquarters and Federal ID number.
2. The names, addresses and dates of birth of officers, directors, managing members, members, partners and persons holding a 10% or greater interest in the Applicant. (Here after referred to as "Interested Individuals or Entities.")
3. A current organizational chart.
4. The name and address of the Applicant's registered agent in New Jersey.

Section 2 - Fantasy Sports Operator History

A) Provide a detailed description of the Applicant’s business, including the background and skills of the Applicant as a Fantasy Sports Operator. Include a detailed statement concerning the experience of the Applicant and Interested Individuals or Entities in the operation of Fantasy Sports Activities.

B) Answer the following questions with regard to the Applicant and its Interested Individuals or Entities:

1. Has the Applicant or any of its Interested Individuals or Entities ever been arrested, detained, charged, indicted, admitted into pretrial intervention, pled nolo contendere or convicted of a crime or offense involving the operation of Fantasy Sports Activities or any crime or offense involving theft or deception or fraudulent practices? Yes No

If Yes, identify the individual or entity and provide the details, case, jurisdiction, date of offense, docket number, judgment number. Please attach a copy of the judgment of conviction, and a copy of a certificate or rehabilitation, if received.

2. Are there any charges involving the crimes or offenses noted above pending against the Applicant or any Interested Individual or Entity? Yes No

If Yes, identify the individual or entity and provide the details regarding the date, the place, the facts leading to the arrest or indictment and the court in which the matter is pending. Please attach all relevant documents.

3. Has the Applicant or any of its Interested Individuals or Entities been determined by a government agency to be delinquent with regard to the payment of any debt or tax within the last ten (10) years? Yes No

If Yes, identify the individual or entity and provide the details. Please attach all relevant documents.

4. Are there any pending disputes that the Applicant or any Interested Individuals or Entities have with a government agency with regard to the payment of any debt or tax? Yes No

If Yes, identify the individual or entity and provide the details. Please attach all relevant documents.

5. Has the Applicant or any of its Interested Individuals or Entities been a party to any civil lawsuit within the last ten (10) years related to the operation of a fantasy sports activity? Yes No

If Yes, identify the individual or entity and provide the details, case, jurisdiction, docket number and judgment number. Please attach all relevant documents.

6. Has the Applicant or any of its Interested Individuals or Entities ever had a fantasy sports activity related license, permit, approval or registration denied, limited, restricted, not renewed, suspended or revoked within the last ten (10) years? Yes No

If Yes, identify the individual or entity and provide the details. Please attach all relevant documents.

7. Is the Applicant or any of its Interested Individuals or Entities currently a party to any administrative action pertaining to a fantasy sports activity in which license, permit or other authorization is subject to denial, limitation, restriction, non-renewal, suspension or revocation? Yes No

If Yes, identify the individual or entity, and provide the details. Please attach all relevant documents.

8. Has the Applicant or any of its Interested Individuals or Entities been subject to a civil judgment, or administrative action, relating to a violation of any federal, state, county, or municipal laws entered against it in the last ten (10) years? Yes No

If Yes, identify the individual or entity and provide the details and include any case, jurisdiction, docket number and judgment number. Please attach all relevant documents.

9. Has the Applicant or any of its Interested Individuals or Entities been a party to any bankruptcy, receivership or similar proceeding affecting a business or in an individual capacity within the last ten (10) years? Yes No

If Yes, identify the individual or entity and provide the details and include any case, jurisdiction, docket number and judgment number. Please attach all relevant documents.

10. Has the Applicant or any of its Interested Individuals or Entities been a party to any material acquisition, reorganization, merger, consolidation, readjustment or succession of a business within the last ten (10) years? Yes No

If Yes, identify the individual or entity and outline the facts and circumstance concerning this matter. Please attach all relevant documents.

Section 3 – Fantasy Sports Activity History

1. Describe each type of fantasy sports activity offered or proposed to be offered to persons located in the State of New Jersey.

2. Does the Applicant currently or at any time possess a fantasy sports activity license, permit, approval or registration issued by any other state or licensing authority? Yes No

If Yes, list the type of license, permit, approval or registration, the state or licensing authority that issued it, the license, permit or registration number, and the name and telephone number of the appropriate contact person at the issuing authority.

3. Will a casino licensee or licensed racetrack use its facilities to accept entry fees or pay prizes? Yes No

If Yes, state the details of the arrangement and provide copies of any contracts or agreements and provide documents which form the basis of this arrangement.

4. Will the Applicant partner with or enter into a contract with a casino licensee to offer fantasy sports activities? Yes No

If Yes, state the details of the arrangement and provide copies of any contracts or agreements and provide documents which form the basis of this arrangement.

Section 4 – Participant and Operating Accounts Information

1. Identify the procedures the Applicant has established as to the following and provide supporting documents which demonstrate that:
 - A. Participants' funds are segregated from the Applicant's operational funds.
 - B. Funds in participants' accounts are not the property of the Applicant and are not available to the Applicant's creditors.
 - C. Unauthorized withdrawals from participants' accounts by the Applicant or others are prevented or cannot otherwise occur.
 - D. Participants can permanently close his/her account at any time and for any reason.
 - E. Participants can withdraw the funds maintained in his/her individual accounts within five (5) days of the request being made.
 - F. Prizes won by a participant are deposited into the individual accounts of the participant within twenty-four (24) hours of winning the prize.
 - G. Participants are notified of his/her right of and are provided with access to his/her play and account history.
 - H. The Applicant shall not extend credit to any participant for purposes of participating in a fantasy sports activity.
 - I. A participant shall not be allowed to transfer any funds to any other participant.
 - J. The Applicant shall not allow a participant's account to be overdrawn.
2. If the participants' funds are not segregated from Applicant's operational funds, submit an irrevocable letter of credit, bond, or combination thereof in the amount of the participants' deposit accounts issued to the Applicant for the benefit and protection of participants' funds held in the fantasy sports activity accounts.
3. State and attach documentation of the following for the last three (3) years:
 - A. Total annual deposits made by the participants.
 - B. Total entry fees made by the participants.
 - C. Total annual prizes awarded to the participants.
 - D. Total annual payment processor reserves
 - E. Total annual receivables.
 - F. Total annual cash reserves.
 - G. Total annual cash equivalents.

Section 5 – Compliance Procedures

1. Describe and attach the Applicant's practices, policies, and procedures to prohibit underage participants (less than 18 years of age) from participating in fantasy sports activities.

2. Describe and attach the Applicant's practices policies, and procedures used to prevent advertisements in any publication or media aimed exclusively at juveniles or advertising at elementary schools, high schools, or sports venues used exclusively for elementary school or high school sporting activities.

3. a) Describe and attach the Applicant's practices, policies, and procedures to detect the physical location of the participant attempting to access their account and monitor for simultaneous logins to a single account from geographically inconsistent locations. These practices, policies, and procedures must include the ability to check the locations each time a participant attempts to enter a contest or makes a deposit.
- b) Describe the mechanism used to alert the Applicant if an account is being accessed from geographically inconsistent locations.
4. Describe and attach the Applicant's policies, procedures, and rules for each fantasy sports activity which ensure that the outcome will be determined by statistics generated based upon the performance of actual individuals participating in real competition or athletic events.
5. Describe and attach the Applicant's policies, procedures, and rules for each fantasy sports activity which ensures that all prizes offered to participants are established and disclosed in advance of participant's payment of an "Entry Fee" (See definition of "Entry Fee" at N.J.S.A. 5:20-2).
6. Describe and attach the Applicant's policies, procedures, and rules which ensure that the outcome of each fantasy sports activity is not based solely on the performance of an individual athlete, or on the score, point spread, or any performance of a single real team or combination of real teams.
7. Describe and attach the Applicant's practices, policies, and procedures which will prohibit sharing with third parties statistical information that could affect a fantasy sports activity until that information is publicly available.
8. Describe and attach the Applicant's practices, policies, and procedures to ensure that any "Prohibited Participant" and any owner, director, officer, or employee of the fantasy sports operator does not participate in fantasy sports activities. (See definition of "Prohibited Participant" at N.J.S.A. 5:20-2 and N.J.A.C. 13:45A-36.8(c)).

9. Describe and attach the Applicant's practices, policies, and procedures to ensure that fantasy sports activities do not include high school athletics.

10. Describe and attach the Applicant's practices, policies, and procedures to ensure the employees, officers, and directors do not disclose proprietary or non-public information to any participant that may affect the fantasy sports activity.

11. Describe and attach the method by which an individual is advised he/she can restrict himself/herself from participating in fantasy sports activities and the procedures established to prevent that individual from participating.

12. State the number of entries a participant may submit to each fantasy sports activity, the manner in which that limitation is disclosed to a participant, and set forth the procedure that will prevent the participant from exceeding that number.

13. Provide the location and identify all technical equipment used by the Applicant, including computers and servers, to conduct fantasy sports activities.

14. Provide a description, in detail, of the intended uses and purposes of the server(s) located in Atlantic City, New Jersey and any and all documents demonstrating the location of the server.

15. Describe and attach the Applicant's practices, procedures and policies to prevent cheating and collusion.

16. Describe and attach the Applicant's practices, policies, and procedures to determine the total "Entry Fees" collected from participants located in the State of New Jersey.

17. Describe and attach the Applicant's practices, policies, and procedures to respond to any security incident, including system failure, loss of service, breaches of confidentiality, and malicious intrusions. Such procedures shall include the analysis and cause of the security incident, containment, planning and implementation of corrective action to prevent reoccurrence, communication with New Jersey participants affected by or involved with recovery from the security incident, and reporting to the Division of Consumer Affairs, Fantasy Sports Unit.

18. Describe and attach the Applicant's practices, policies, and procedures for testing to ensure the fantasy sports operator's platform meets or exceeds current industry standards.

19. Describe and attach the Applicant's practices, policies, and procedures for closing out a participant's account which has not been used to engage in fantasy sports activities in more than three (3) years.

20. Describe and attach the Applicant's practices, policies, and procedures to maintain the security of the New Jersey participant's identity and financial information.

21. Describe and attach the Applicant's practices, policies, and procedures which permit a parent or guardian to exclude an individual under the age of 18 from accessing any fantasy sports activity.

22. Describe and attach the Applicant's practices, policies, and procedures used to determine the true identity of each individual seeking to open an account.

23. Describe and attach the Applicant's practices, policies, and procedures which limit each participant to one active account and username. Set forth the procedure to terminate accounts of any participant that establishes or seeks to establish more than one username or account.

Section 6 – Complaint Procedures

1. Describe and attach the Applicant’s practices, policies, and procedures by which a participant can file a complaint against the Applicant about any aspect of a fantasy sports activity and the manner in which the Applicant’s complaint procedure is disclosed to the participants.

2. Describe and attach the Applicant’s practices, policies, and procedures used to retain participants’ complaints and the Applicant’s responses for at least seven (7) years.

Section 7

1. Describe and attach the Applicant’s practices, policies, and procedures to maintain records of the following for at least seven (7) years in accordance with N.J.A.C. 13:45A-36.14:
 - a) each fantasy sports activity offered to participants in New Jersey including:
 - date and time fantasy sports activity started and ended;
 - prize structure;
 - participants that entered the fantasy sports activity;
 - selections made by each participant;
 - total number of points earned by each participant’s team;
 - total amount of entry fees paid;
 - results, including the points earned by the winning participants;
 - total amount of participants’ winnings; and
 - total amount of cash or cash equivalents awarded to participants.
 - b) a participant transaction log including:
 - a unique participant identification;
 - all deposits and withdraws to the participants’ account; and
 - all cash or cash equivalents added to the participant’s account.
 - c) participant account information including:
 - a unique participant identification;
 - participant identity details (participant’s legal name, age, and address);
 - any self-restrictions;
 - any previous accounts; and
 - the date and location from which the participant account was registered.
 - d) all advertisements, including where such advertisements were placed.

AFFIDAVIT

This affidavit is to be executed by the Applicant before a notary public:

State of: _____ }
County of: _____ } ss.

I, _____ as _____ of _____,

Applicant's Designee

Title

Applicant's Name

having authority to complete the application, in making this application to the Division of Consumer Affairs for a permit under the provisions of Title 5 of the General Statutes of New Jersey and any applicable Rules and Regulations of the Division of Consumer Affairs, swear (or affirm) that I am authorized to act on behalf the Applicant, I am at least 18 years of age, and that all information provided in connection with this application is true to the best of my knowledge and belief. I understand that any omissions, inaccuracies or failure to make full disclosures may be deemed sufficient to disqualify the Applicant or to withhold renewal of or suspend or revoke a permit issued by the Division of Consumer Affairs.

I am familiar with the Laws governing the operation of fantasy sports found in N.J.S.A. 5:20-1 et seq., and I further swear (or affirm) that I have read N.J.S.A. 5:20-1 et seq., together with any applicable Rules and Regulations of the Division of Consumer Affairs, and fully understand that in receiving a permit from the Division, I bind the Applicant to be governed by them.

Furthermore, on behalf of the Applicant, I voluntarily consent to a thorough investigation of the Applicant, together with its officers, directors, managing members, members, partners and persons having a 10% or greater interest in the Applicant for the purpose of verifying the Applicant's qualifications for a fantasy sports permit. I further authorize all institutions, employers, agencies and all governmental agencies and instrumentalities (local, state, federal or foreign) to release any information, files or records requested by the Division of Consumer Affairs.

On behalf of the Applicant, I understand and agree that the Applicant is under a continuing duty to disclose any changes in the information submitted to the Division of Consumer Affairs.

Print the Name of Applicant's Designee

Print Title or Position

Signature of Applicant's Designee

Sworn and subscribed to before me this _____

day of _____, _____
Month Year

Name of Notary Public (please print)

Signature of Notary Public



Do not write in this space

Date received _____

Permit number _____