HARVARD | BUSINESS | SCHOOL

9-819-074
DECEMBER 3, 2018

ROBERT F. HIGGINS
JULIA KELLEY

DraftKings and the Future of Fantasy Sports

For Boston-based fantasy sports company DraftKings, the last few years had been filled with ups and downs. After its founding in 2012, DraftKings, along with its primary competitor FanDuel, had dramatically changed the fantasy sports landscape by drawing millions of people to enter short-term fantasy sports tournaments that offered big cash prizes to winners. DraftKings had skyrocketed to a valuation of more than $1 billion by 2015, but the company's prospects had taken a turn later that year after fantasy sports fans and media outlets started questioning whether DraftKings employees had an insider's edge in fantasy sports tournaments—a debate that soon led to more pressing questions from state and federal government agencies about whether DraftKings' business model violated federal laws against sports betting and online gambling.

Now, in May 2018, DraftKings Co-Founder and CEO Jason Robins needed to consider what DraftKings' next steps should be. The United States Supreme Court had just overturned a federal law that prohibited states from legalizing sports betting—a decision that would likely relieve some of the legal pressure and public scrutiny DraftKings had faced in recent years and potentially open the door for DraftKings to pursue new revenue channels. But DraftKings still had yet to become profitable, and after years of costly lawsuits, it was important for the company to choose the right strategy.

In the aftermath of the Supreme Court ruling, Robins had also learned that DraftKings' chief competitor, FanDuel, was being acquired by an online gambling company based in the United Kingdom. FanDuel, once the undisputed daily fantasy sports market leader, had faced an increasingly challenging path in recent years, defending its market share against DraftKings on one side and battling regulatory challenges alongside DraftKings on the other. In light of this development, Robins had to consider whether DraftKings was equipped to navigate the sports betting market, or whether the company should instead focus on growing its share of the fantasy sports market.

Sports Betting and Fantasy Sports in the U.S.

Sports betting took off in the U.S. after the country's first professional sports leagues formed in the late nineteenth century, but sports gambling's ties to organized crime eventually prompted the U.S. government to start regulating it in the 1960s and 1970s.[1] While sports betting remained legal during this period, sports leagues were concerned that gambling could give players and officials an incentive

Senior Lecturer Robert F. Higgins and Case Researcher Julia Kelley (Case Research & Writing Group) prepared this case. This case was developed from published sources. Funding for the development of this case was provided by Harvard Business School and not by the company. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

to influence game results and undermine public confidence in whether professional and collegiate games were played fairly.[2]

In 1992, U.S. Congress passed the Professional and Amateur Sports Protection Act (PASPA), which banned all forms of sports betting, excluding Nevada's existing state-sanctioned operation, which was "grandfathered" into legality.[3] The National Football League (NFL), Major League Baseball (MLB), the National Hockey League (NHL), and the National Collegiate Athletic Association (NCAA) all supported PASPA, but the law's critics contended that it would only force sports betting underground, depriving states and leagues of the chance to profit from regulated gambling.[4] Supporting that point, Nevada's sports betting industry drove more than $15 million in tax revenue for the state in 2012.[5]

Public opinion on sports betting in the U.S. was mixed. In a 2012 poll from Fairleigh Dickinson University, 51% of respondents stated that they were in favor of legalizing sports betting, and 20% of American men said that they already participated in some form of sports betting despite its illegality.[6]

Fantasy Sports

In the absence of legalized sports betting, a new activity—fantasy sports—became popular among fans of team sports with professional leagues (e.g., football, baseball, etc.). To participate, individuals typically paid a fee to join a fantasy league consisting of friends, family, coworkers, and/or strangers. Prior to the start of the sport's professional season, fantasy players filled each player position (e.g., quarterback, running back, etc.) on their fantasy team by drafting (selecting) athletes who currently played in the professional league. Over the course of the professional league's season, the real-life performance of the players on participants' fantasy teams determined team rankings within their fantasy league. At the end of the season, the individual whose fantasy team had the highest ranking was declared the winner of the league and collected a reward, usually the league's pooled entry fees.

Fantasy sports' origins and popularity traced back to the 1980s, when "Rotisserie League Baseball"—named for the New York City restaurant where the first participants congregated—challenged MLB fans to use their knowledge of players' statistics to predict how they would perform in upcoming games.[7] However, fantasy sports remained largely a niche pastime until it moved to the internet in the 1990s.[8] By 2010, the Fantasy Sports Trade Association estimated that the fantasy sports industry derived almost $1 billion annually from 26 million American players.[9]

Proponents claimed that fantasy sports differed from sports gambling because drafting a successful fantasy team required knowledge of the sport, the league, and the players, making fantasy sports a game of skill rather than a game of chance. In line with this argument, some fantasy sports enthusiasts researched professional players and potential team configurations extensively before drafting their fantasy teams—to the extent that the online fantasy sports ecosystem included a number of companies that had built viable businesses by charging fees for access to compiled player data and statistical analyses.[10]

Professional leagues and players generally welcomed the rise of fantasy sports. "I have Jets and Giants fans come up to me and say, 'Hey, I'm a Jet fan, but you're my fantasy quarterback,'" New England Patriots quarterback Tom Brady said in 2008. "They'll give me hugs. It makes people watch the game."[11] The CEO of one early online fantasy sports company noted, "Sponsors understand that [fantasy] gamers are highly engaged throughout the sports year—they're online researching and talking smack, and that generates a lot of page views."[12]

Some, however, believed that the line between fantasy sports and sports gambling was thinner than proponents would have people believe, and that the outcomes of fantasy sports contests could depend heavily on chance. In 2008, for example, Brady—a popular choice for fantasy teams—was unexpectedly injured and had to sit out the rest of the season, drastically impacting the ranking of anyone who had Brady on their fantasy team. The CEO of one fantasy sports website estimated that Brady's injury would redirect approximately $150 million in fantasy sports winnings from those who had Brady on their rosters to those who did not.[13]

New Regulation

Enacted in 2006, the Unlawful Internet Gambling Enforcement Act (UIGEA) banned online gambling activities such as poker and sports betting. UIGEA included an exemption for competitions with "an outcome that reflects the relative knowledge of the participants, or their skill at physical reaction or physical manipulation (but not chance)."[14] As a *Forbes* contributor noted in 2015, "The provision [i.e., the exemption] is worthless without a formula or any guidance to determine how relative knowledge and skill is calculated. There have been no judicial opinions interpreting the provision to date."[15] On the subject of fantasy sports under UIGEA, CNBC writers noted, "While all fantasy sports contests involve some chance, 'traditional' contests—those played out over an entire season—like their real sports counterparts are predominated by skill. These traditional fantasy sports would likely withstand legal scrutiny in the majority of states, which only prohibit pay-to-play participation for prizes in contests which involve more chance than skill."[16]

The Rise of Daily Fantasy Sports (DFS)

Generally, fantasy players competed for the duration of an entire professional season, with fantasy league rankings taking each of the season's real-life games into account. But two companies—DraftKings and FanDuel—would soon come to reinvent that aspect of the fantasy sports landscape.

In 2012, Jason Robins founded the Boston-based DraftKings, which focused on a new fantasy sports model, daily fantasy sports (DFS). Unlike traditional fantasy competitions that weighed athletes' performance over an entire season, DFS competitions considered only the games played on a single night or in a single week, and DFS rosters were limited to those athletes who would be playing during the given timeframe. DFS players would find out how their fantasy teams had fared—and whether they were eligible for a payout—much sooner than they would have in traditional fantasy competitions.

Participants who wished to enter DraftKings competitions first went to the DraftKings website or downloaded the company's mobile application, and created a profile linked to their email address or Facebook account. Once their profile was created, users deposited money into their DraftKings account using a credit card, debit card, or PayPal. Participants used the funds in their account to pay tournament entry fees, which started at 25 cents.[17] DraftKings usually retained 10% of each entry fee, and the remainder was used to fund the winners' prizes.[18]

Three years prior to DraftKings' founding, in 2009, a group of entrepreneurs had founded a similar DFS company, FanDuel, in New York City. Given that FanDuel had a three-year head start in the DFS market, DraftKings needed funding to expand, and fast. In July 2012, venture capital (VC) firm Accomplice (then known as Atlas Ventures), helmed by investor Ryan Moore, provided DraftKings with $1.2 million in seed funding. Less than a year later, in May 2013, DraftKings' Series A round, led by Accomplice, raised $7 million;[19] in November 2013, the company held a Series B round, led by Redpoint Ventures, and raised another $24 million.[20]

With DraftKings and FanDuel leading the way, DFS took off. In March 2013, the *New York Times* estimated that DFS accounted for $492 million of the $1.6 billion spent on fantasy sports annually.[21] In 2013, DraftKings reportedly retained 75% of its active 2012 customers; on average, its customers spent at least five hours each week on DraftKings' web and mobile platforms.[22]

DraftKings Versus FanDuel

Competition between DraftKings and its rival FanDuel quickly heated up. In March 2014, FanDuel challenged DraftKings over advertisements implying it was the "#1 destination for daily fantasy sports on the internet," which FanDuel insisted was unsupported by its revenue or user base numbers.[23] In a statement, a DraftKings vice president responded, "DraftKings is a leading provider of daily fantasy sports, with momentum that is largely unmatched. It is understandable that this would cause some distress and move FanDuel to attempt to halt our ascent by any means necessary."[24]

In July 2014, DraftKings acquired competitor DraftStreet, the third-largest DFS company, for an undisclosed sum, increasing its user base by more than 50%.[25] One month later, DraftKings held a Series C funding round, raising $41 million, which it used in part to acquire another competitor, StarStreet. FanDuel raised $70 million in a Series D round shortly thereafter.[26] In September 2014, one DFS consultant noted, "Believe it or not, I think FanDuel releasing their [financial] numbers a few months ago [projecting $40 million in annual revenue] probably got DraftKings their raise, then DraftKings' raise got FanDuel this one. For as much as they are rivals, they are also in this together for now."[27]

Throughout 2014, the two companies continued to expand their influence—and go head to head—by establishing partnerships with professional sports teams and leagues. In October 2014, DraftKings announced a partnership with the NFL's New England Patriots, which gave DraftKings advertising space at Gillette Stadium and on the Patriots' social media accounts.[28] By November 2014, DraftKings had established similar partnerships with three NHL teams and eight MLB teams, league-wide partnerships with MLB and the NHL, and partnerships with the World Series of Poker and the World Poker Tour.[29] FanDuel had similar partnerships with five NBA teams and a league-wide partnership with the NBA.[30] In 2014, DraftKings reportedly had 414,000 paying active users and earned $30 million in revenue, while FanDuel had 1.1 million paid active users and earned $57 million.[31]

In July 2015, FanDuel raised $275 million, giving it a $1 billion valuation, and a few weeks later, DraftKings raised $300 million from Fox Sports, the National Hockey League, and Major League Soccer, among others, at a valuation exceeding $1 billion.[32] Throughout 2015, DraftKings and FanDuel each spent millions of dollars on television advertisements that aired during professional sports games—$27 million for 8,000 spots during the NFL's opening week alone—and emphasized the companies' large prize pools, which could exceed $1 million.[33] By the end of 2015, DraftKings and FanDuel had sponsorship deals with 12 and 16 NFL teams, respectively, and DraftKings landed an exclusive advertising deal with sports television network ESPN for 2016.[34] In 2015, the New England Patriots and Jacksonville Jaguars both opened fantasy sports-themed nightlife and entertainment venues—DraftKings Fantasy Sports Zone at the Patriots' Gillette Stadium and FanDuelVille at the Jaguars' EverBank Field.[35] (See **Exhibit 1** for percentage of past fantasy sports players who had heard of different platforms as of 2017 and **Exhibit 2** for percentage of past fantasy sports players who had used different platforms as of 2017.)

Game of Skill or Game of Chance?

But as the DFS industry boomed, some began to questioning the legality of sites like DraftKings. While fantasy sports had arguably always straddled the line between chance and skill, DFS contests appeared to amplify the role of chance. For example, in daily or weekly fantasy leagues, a player getting unexpectedly injured at the start of a game had a much greater impact on fantasy team rankings compared to traditional fantasy leagues, where the injury's impact might be relatively minor when placed in the context of the entire professional season. One blogger wrote:

> By any reasonable definition of the term, daily fantasy leagues are a form of gambling. You pay money. You put it at risk based on your assessment of certain factors and of the odds, and then you win or lose. (Mostly lose.) Many of the people running the industry got their start in the high-stakes poker boom. The fact that daily fantasy leagues are not recognized as gambling is merely the result of legislative legerdemain and the sweet blandishments of lobbyists.[36]

But proponents pointed out that the results of DFS competitions indicated that skilled players won more often than unskilled players; a 2015 McKinsey & Company report, for example, found that in the first half of the 2015 MLB season, the top 1.3% of DFS players won 91% of total player profits.[37] The chairman of the Fantasy Sports Trade Association argued, "These are skill-based games that match sports fans against each other in a contest of sports knowledge and strategy that is fundamentally different from wagering on the performance of an individual player or the outcome of a particular game."[38] Robins noted, "Optically, [DFS] looks different from what people expect a game of skill to look like, but the data doesn't support that."[39]

Rules and Regulation

In the fall of 2015, DraftKings' bright future was unexpectedly called into question after a series of mishaps involving content manager Ethan Haskell. On September 27, Haskell inadvertently posted ownership data for DraftKings' weekly Millionaire Maker contest (i.e., the percentage of Millionaire Maker players who had a particular professional player on their fantasy roster) on DraftKings' blog—before all of the games that would decide the contest results had started.[40] On a fantasy sports forum, a fan was quick to call out and criticize Haskell's blog post, calling it "a big leak" and speculating whether Haskell might also have had access to more detailed ownership data, such as the rosters of top DFS players.[41] Responding to the forum post, Haskell wrote, "I was the only person with this data and as a DK [DraftKings] employee, am not allowed to play on site. [. . .] I apologize for any issues."[42]

Haskell neglected to mention that DraftKings employees were still permitted to play on competing sites. A few days later, on October 4, Haskell came in second place in FanDuel's NFL Sunday Millions event, winning $350,000.[43] In light of the win, Haskell's access to DraftKings' ownership data raised serious questions about how long he had had access to the data and whether it had allowed him to choose less popular—and possibly undervalued—players for his FanDuel roster.[44] The day after Haskell's win, DraftKings and FanDuel published a joint statement:

> Nothing is more important to DraftKings and FanDuel than the integrity of the games we offer to our customers. Both companies have strong policies in place to ensure that employees do not misuse any information at their disposal and strictly limit access to company data to only those employees who require it to do their jobs. Employees with access to this data are rigorously monitored by internal fraud control teams, and we have no evidence that anyone has misused it. However, we continue to review our internal

> controls to ensure they are as strong as they can be. We also plan to work with the entire fantasy sports industry on this specific issue so that fans everywhere can continue to enjoy and trust the games they love.[45]

That same day, however, the *New York Times* published an article about Haskell's win and a perceived lack of employee oversight at DraftKings and FanDuel, shifting the story from fantasy sports forums to the national spotlight.[46] In response, DraftKings released another statement:

> The evidence clearly shows that the employee in question did not receive the data on player utilization until 1:40 p.m. ET on Sunday, September 27. Lineups on FanDuel locked at 1:00 p.m. that day, at which point this employee (along with every other person playing in a FanDuel contest) could no longer edit his player selections. This clearly demonstrates that this employee could not possibly have used the information in question to make decisions about his FanDuel lineup.[47]

The Backlash Begins

After the *New York Times* story, DraftKings and FanDuel both temporarily banned employees from playing on competing DFS sites; within a week, the bans were made permanent. "In retrospect, I should have known better than to have a policy where employees could play," Robins said later. "I should have known something like this could happen, and we didn't. I own that, and that was a mistake."[48]

But the damage was done. The two companies were promptly hit by a class action lawsuit over the question of employees having an unfair advantage in DFS contests.[49] New York's attorney general opened an investigation into employees' use of inside information to win DFS contests, and the state of New York soon sued DraftKings and FanDuel over their use of potentially deceptive advertisements implying that everyone who played DFS had an equal shot at winning.[50] The U.S. Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) launched investigations with a broader scope—to determine whether DFS business models violated UIGEA.[51]

While the DOJ and FBI investigated DFS companies' legality, some states took matters into their own hands. On October 15, Nevada declared that DFS constituted gambling and temporarily barred DraftKings and FanDuel from the state until the companies obtained gambling licenses.[52] On November 10, New York's attorney general issued a cease-and-desist order barring DraftKings and FanDuel from operating in the state.[53] In April 2018, Robins reflected back on the company's position in the fall of 2015: "It went from feeling like we were the darlings of the media to literally overnight [confronting] one of the most humiliating and existentially threatening crackdowns I can ever remember an industry facing. [. . .] It was like bailing water from a boat and watching the water level continue to rise."[54]

Some legislators took a softer stance. In March 2016, Virginia became the first state to officially legalize DFS, while a number of other states were reportedly working on similar laws.[55] In August 2016, New York Governor Andrew Cuomo signed legislation classifying DFS as games of skill, allowing DraftKings and FanDuel to resume operations if they agreed to pay fees to the state and adhere to new consumer protection regulations.[56]

But the industry's trouble was not over yet. In February 2016, Fox reduced the value of its $160 million stake in DraftKings by 60%.[57] As the start of the 2016 NFL season approached, both DraftKings and FanDuel announced plans to significantly reduce advertising spending compared to 2015.[58] In October 2016, DraftKings and FanDuel settled a lawsuit about their use of potentially misleading advertisements, agreeing to pay $6 million each to the state of New York.[59] In November, the companies settled a similar lawsuit with Massachusetts, agreeing to pay a combined $2.6 million.[60]

To add to the strain, neither DraftKings nor FanDuel had achieved profitability yet. In November 2016, after a long year of lawsuits and lobbying, the rivals announced that they had agreed to merge; Robins would assume the role of CEO of the new company.[61] "Neither company has been able to invest as much as we want to in a vast array of innovative ideas," Robins said of the merger announcement. "We really do share a common vision and really do have a boatload of ideas."[62] In March 2017, while the merger was pending, DraftKings raised $100 million in a Series E funding round.

But in the summer of 2017, attorneys general in California and the District of Columbia moved to block the merger, citing antitrust concerns.[63] Shortly thereafter, the Federal Trade Commission announced plans to file a lawsuit to block the merger.[64] In July 2017, rather than fight the regulatory challenges, DraftKings and FanDuel announced that the merger had been called off.[65]

The failed merger left DraftKings' future more uncertain than ever. Fortunately, the company had maintained a competitive spirit during its discussions with FanDuel, continuing to market aggressively even while the companies negotiated the merger. "We gained more market share in that period than at any other time," Robins recalled.[66] In August 2017, in an attempt to improve its reputation and draw more people to DFS, DraftKings introduced tournaments that were limited to newer players and placed limitations on how often the top fantasy players could enter contests.[67]

The Supreme Court Decision

While FanDuel and DraftKings had been gaining traction, raising VC funding, and ultimately attracting intense public scrutiny, a high-profile sports betting lawsuit had been working its way up to the U.S. Supreme Court. The lawsuit's origins traced back to PASPA, which had originally given the state of New Jersey—home of popular gambling destination Atlantic City—one year to legalize sports betting.[68] The state had failed to meet that deadline, but two decades later, New Jersey's state legislature passed a law allowing casinos and racetracks to offer betting on collegiate and professional sports. In July 2012, the NCAA, NBA, NFL, NHL, and MLB sued New Jersey Governor Chris Christie to block New Jersey from issuing sports gambling licenses. The lawsuit read in part:

> Gambling on amateur and professional sports threatens the integrity of those sports and is fundamentally at odds with the principle [. . .] that the outcomes of collegiate and professional athletic contests must be determined, and must be perceived by the public as being determined, solely on the basis of honest athletic competition. [. . .] Amateur and professional sports are an integral part of American culture, particularly among the country's youth who often look up to athletes as role models. The sponsorship, operation, advertising, promotion, licensure, and authorization of sports gambling in New Jersey would irreparably harm amateur and professional sports by fostering suspicion that individual plays and final scores of games may have been influenced by factors other than honest athletic competition.[69]

In February 2013, a federal judge ruled against New Jersey. Though Christie appealed the ruling to the Supreme Court, it declined to hear the case.[70]

In 2014, New Jersey legislators passed another law that would effectively repeal the federal sports betting ban as it pertained to casinos and racetracks.[71] Again, professional leagues sued the state, and again, a federal court ruled against New Jersey.[72] This time, however, the Supreme Court agreed to hear the case after Christie appealed.

By that point, despite the lawsuit, some of the professional leagues had started to publicly soften their stance on sports betting. In November 2014, for example, NBA Commissioner Adam Silver wrote an op-ed, asserting, "But despite legal restrictions, sports betting is widespread. It is a thriving underground business that operates free from regulation or oversight. [. . .] There is an obvious appetite among sports fans for a safe and legal way to wager on professional sporting events."[73]

On May 14, 2018, the Supreme Court ruled in a 6–3 decision that PASPA was unconstitutional and violated states' rights. See **Appendices A** and **B** for excerpts from the Supreme Court's majority and minority opinions. Though the ruling did not legalize sports betting nationwide, it opened the door for states to legalize and regulate the practice. After the ruling, the share prices of U.S. casino operators increased.[74] The American Gaming Association wrote, "Today's decision is a victory for the millions of Americans who seek to bet on sports in a safe and regulated manner."[75] Mark Cuban, the owner of the Dallas Mavericks, said, "[The legalization of sports betting] doubled the value of the professional sports franchises in a second. It will increase interest, it will add to what happens in our arena and in stadiums. It will increase the viewership for our biggest customers online and on TV. It helps traditional television because it's much lower latency,[a] whereas online [. . .] it's much higher latency."[76]

The State of Sports Betting in 2018

Prior to the Supreme Court decision, experts speculated that Americans spent between $150 billion and $400 billion on sports betting each year—the vast majority of which was wagered as part of illegal, "under-the-table" betting operations.[77] Most of the money wagered on sports outcomes went to the winners, with the operator (bookkeeper) keeping a small cut.

Under its PASPA exemption, Nevada had been the only state with legalized sports betting prior to May 2018; there, people could bet on sports outcomes at licensed casinos or online betting sites. The state took a 6.75% cut of all betting revenue, leaving Las Vegas bookkeepers with an estimated average take of 3.3% after paying winners and the state and before paying operating expenses.[78]

After the Supreme Court decision, New Jersey's state legislature promptly moved to legalize sports betting statewide;[79] twelve other states had similar pending legislation in the event that PASPA was overturned.[80] These states would have to determine an appropriate tax rate, as well as whether to legalize online betting in addition to in-person betting. So far, early indicators showed that sports betting taxes in other states would be even higher than Nevada's; New Jersey, for example, had proposed taxing casinos at 8% and online betting platforms at 12.5%.[81]

As legislators got to work, professional leagues began angling to maximize their share of the sports betting market. For example, the NBA and MLB both lobbied for any states that legalized sports betting to pay a 1% "integrity fee" to leagues. The NFL, meanwhile, pushed for legislation that would require sports betting operations to use official league data, possibly in exchange for a fee.[82]

Given all of the different considerations at play and the extent to which sports betting legislation might vary from state to state, some suggested a federal regulatory framework was needed; Utah Senator Orrin Hatch, one of the authors of PASPA, cautioned, "We cannot allow this practice to proliferate amid uneven enforcement and a patchwork race to the regulatory bottom."[83] However, as

[a] "Latency" referred to video display lag.

one writer noted, "a federal solution appears unlikely, so all of these concerns—integrity fees, data rights, online gambling, types of wagering, tax rates—are likely to be determined at the state level."

What Now?

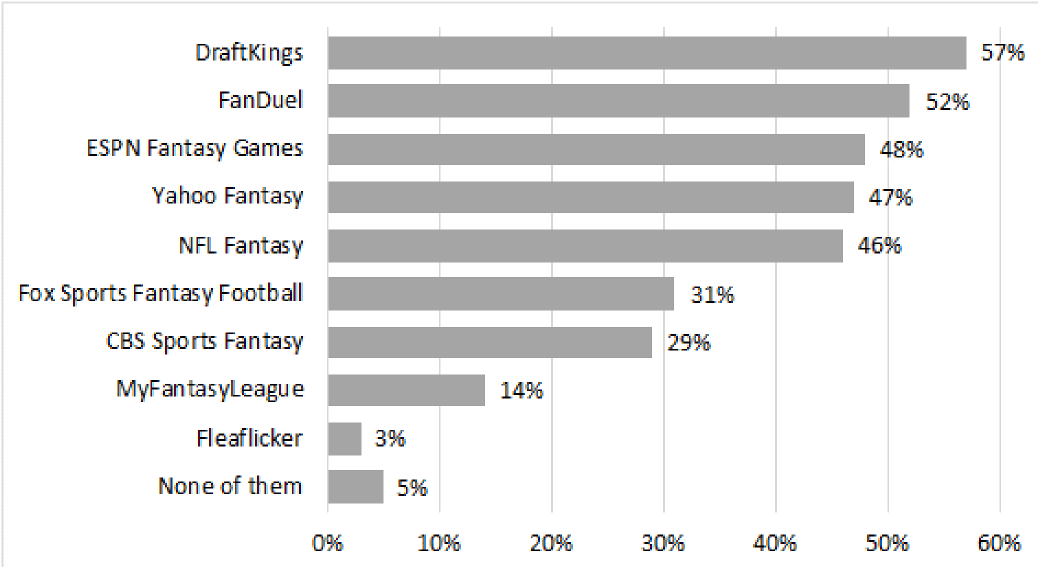
On May 23, 2018, FanDuel announced that it had been acquired by the U.K.-based Paddy Power Betfair, an online gambling company.[84] Paddy Power Betfair paid $158 million for 61% ownership of the combined company, to be used to pay off FanDuel's debts and continue expanding the business.[85]

Robins now had to consider whether DraftKings should continue pushing to expand its share of the DFS market or instead dive into the newly legalized world of sports betting. Growth in the DFS market was slowing; in February 2018, an analyst report had projected that total 2018 DFS entry fees would only grow 2% compared to 2017.[86] (See **Exhibit 3** for number of fantasy sports players over time and **Exhibit 4** for fantasy sports entry fees over time.) But the sports betting market would pose its own difficulties, especially since the market's size would depend on how many states legalized sports betting, and how quickly. (See **Exhibit 5** for worldwide online gambling revenue over time and **Exhibit 6** for online sports betting revenue by company after the Paddy Power and FanDuel merger.)

What might FanDuel's acquisition signify for DraftKings? And how might DraftKings investors exit the business? Robins stated, "I think an IPO is probably the most realistic exit for us and probably also the best, but we're open to other things. You can control your own path to IPO. You can't control whether someone else wants to buy you."[87]

Robins and the board would have a lot to discuss at DraftKings' next board meeting.

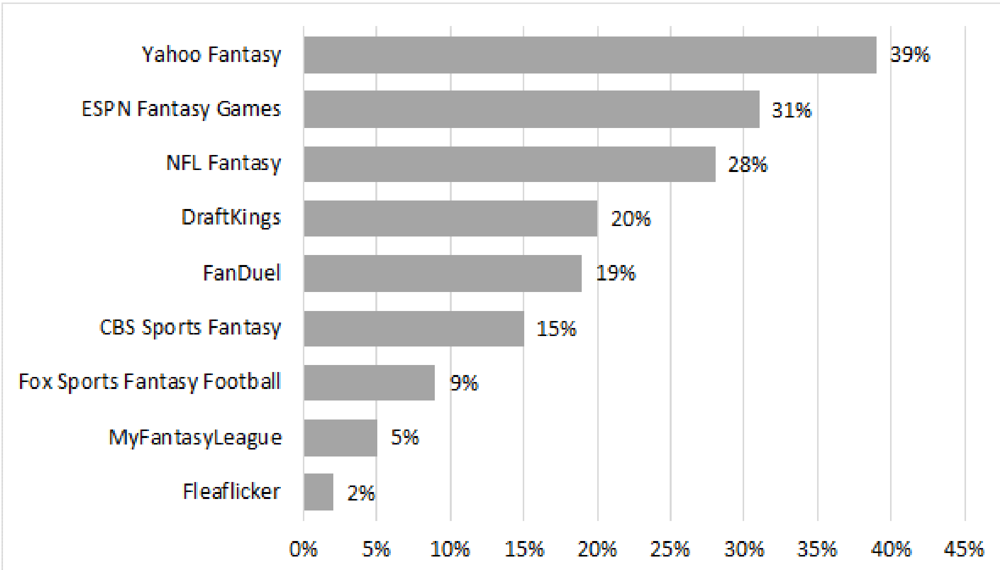
Exhibit 1 Percentage of Past Fantasy Sports Players Who Knew Platforms by Name, 2017



Source: "Which of the following Fantasy sports platforms do you know at least by name?" via Statista, accessed November 2018.

Note: The survey consisted of individuals between the ages of 18 and 69 who had played any type of fantasy sports in the past.

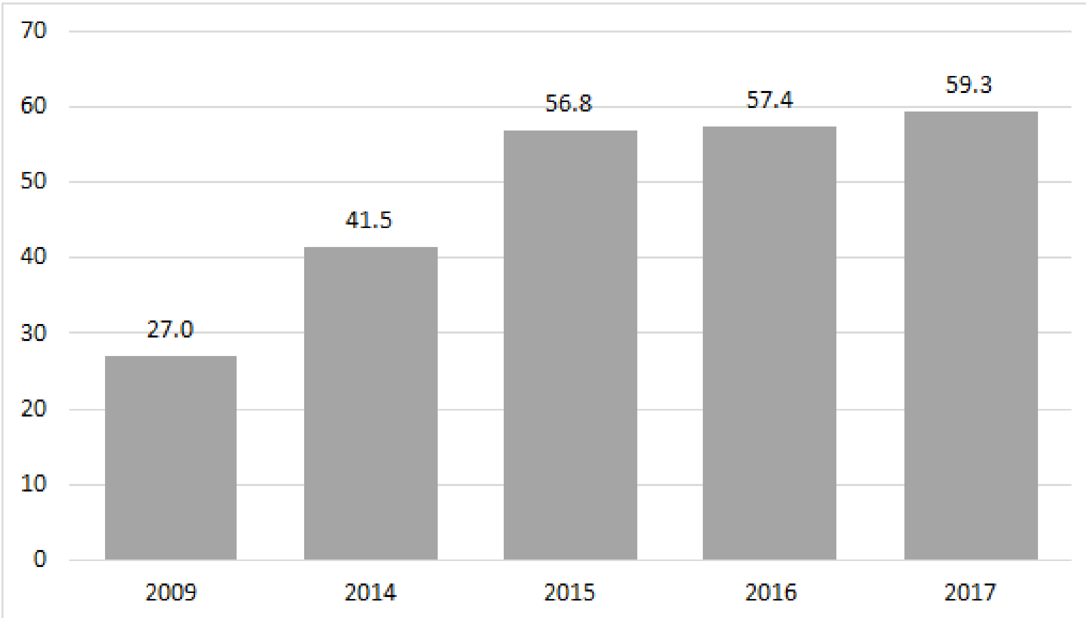
Exhibit 2 Percentage of Past Fantasy Sports Players Who Had Used Platforms, 2017



Source: "Which of the following Fantasy sports platforms have you already used?" via Statista, accessed November 2018.

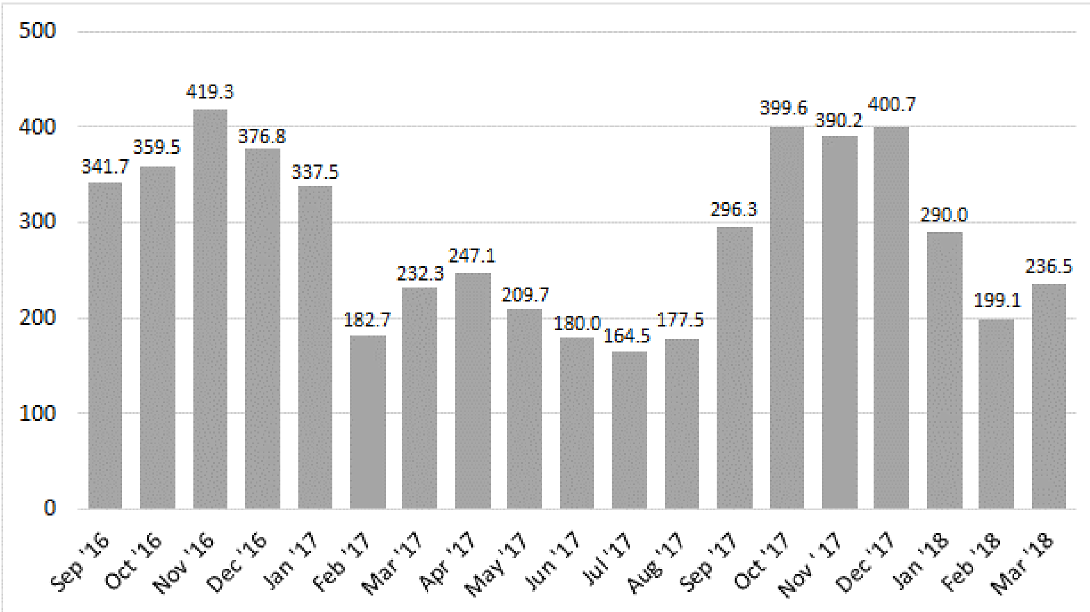
Note: The survey consisted of individuals between the ages of 18 and 69 who had played any type of fantasy sports in the past.

Exhibit 3 Total Fantasy Players in the U.S., 2009 to 2017 (millions)



Source: "Number of fantasy sports players in the United States from 2009 to 2017 (in millions)," via Statista, accessed November 2018.

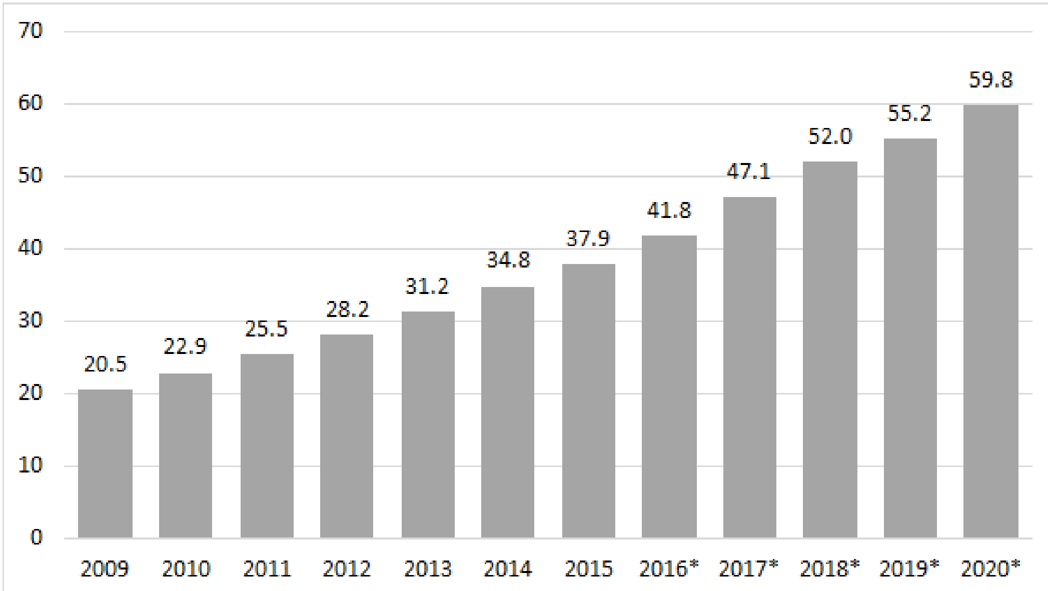
Exhibit 4 Total Daily Fantasy Sports Entry Fees in the U.S, 2016 to 2018 (U.S. $, millions)



Source: "Total handle (entry fees) from daily fantasy sports in the United States from 2016 to 2018 (in million U.S. dollars)," via Statista, accessed November 2018.

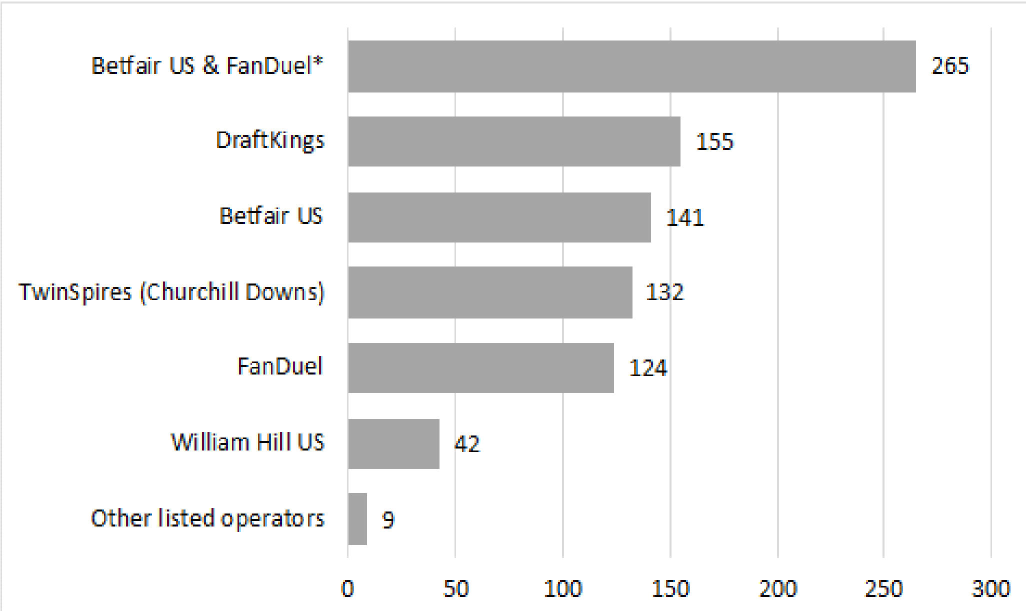
Note: Daily fantasy sports sites reported total entry fees to the New York State Gaming Commission.

Exhibit 5 Size of the Global Online Gambling Market, 2009 to 2020 (U.S. $, billions)



Source: "Size of the online gambling market from 2009 to 2020 (in billion U.S. dollars)," via Statista, accessed November 2018.

Exhibit 6 Online Revenue of Select U.S. Sports Betting and DFS Companies, 2017 (U.S. $, millions)



Source: "Online revenue of selected sports betting / daily fantasy sports companies in the United States in 2017 (in million U.S. dollars)," via Statista, accessed November 2018.

* Betfair US and FanDuel respectively earned $141 million and $124 million in 2017. In light of Betfair's 2018 acquisition of FanDuel, their combined 2017 revenue of $265 million is intended to give an idea of the combined companies' U.S. market share.

Appendix A: Excerpt from Supreme Court Ruling, Majority Opinion

JUSTICE ALITO delivered the opinion of the Court.

The PASPA provision at issue here—prohibiting state authorization of sports gambling—violates the anticommandeering rule. That provision unequivocally dictates what a state legislature may and may not do. And this is true under either our interpretation or that advocated by respondents and the United States. In either event, state legislatures are put under the direct control of Congress. It is as if federal officers were installed in state legislative chambers and were armed with the authority to stop legislators from voting on any offending proposals. A more direct affront to state sovereignty is not easy to imagine. [. . .]

In sum, regardless of the language sometimes used by Congress and this Court, every form of preemption [i.e., a federal law taking priority over a conflicting state law] is based on a federal law that regulates the conduct of private actors, not the States.

Once this is understood, it is clear that the PASPA provision prohibiting state authorization of sports gambling is not a preemption provision because there is no way in which this provision can be understood as a regulation of private actors. It certainly does not confer any federal rights on private actors interested in conducting sports gambling operations. (It does not give them a federal right to engage in sports gambling.) Nor does it impose any federal restrictions on private actors. If a private citizen or company started a sports gambling operation, either with or without state authorization, [PASPA] would not be violated and would not provide any ground for a civil action by the Attorney General or any other party. Thus, there is simply no way to understand the provision prohibiting state authorization as anything other than a direct command to the States. And that is exactly what the anticommandeering rule does not allow. [. . .]

The legalization of sports gambling is a controversial subject. Supporters argue that legalization will produce revenue for the States and critically weaken illegal sports betting operations, which are often run by organized crime. Opponents contend that legalizing sports gambling will hook the young on gambling, encourage people of modest means to squander their savings and earnings, and corrupt professional and college sports.

The legalization of sports gambling requires an important policy choice, but the choice is not ours to make. Congress can regulate sports gambling directly, but if it elects not to do so, each State is free to act on its own. Our job is to interpret the law Congress has enacted and decide whether it is consistent with the Constitution. PASPA is not. PASPA "regulate[s] state governments' regulation" of their citizens, *New York*, 505 U. S., at 166. The Constitution gives Congress no such power.

The judgment of the Third Circuit is reversed.

Source: "Murphy, Governor of New Jersey, et al. v. National Collegiate Athletic Assn. et al.," Supreme Court of the United States, October Term, 2017, https://www.supremecourt.gov/opinions/17pdf/16-476_dbfi.pdf, accessed November 2018.

Appendix B: Excerpt from Supreme Court Ruling, Minority Opinion

JUSTICE GINSBURG, with whom JUSTICE SOTOMAYOR joins, and with whom JUSTICE BREYER joins in part, dissenting.

The petition for certiorari filed by the Governor of New Jersey invited the Court to consider a sole question: "Does a federal statute that prohibits modification or repeal of state-law prohibitions on private conduct impermissibly commandeer the regulatory power of States in contravention of *New York* v. *United States*, 505 U. S. 144 (1992)? " [. . .]

Assuming, *arguendo*, a "yes" answer to that question, there would be no cause to deploy a wrecking ball destroying the Professional and Amateur Sports Protection Act (PASPA) in its entirety, as the Court does today. Leaving out the alleged infirmity [. . .], two federal edicts should remain intact. First, PASPA bans States themselves (or their agencies) from "sponsor[ing], operat[ing], advertis[ing], [or] promot[ing]" sports-gambling schemes." [28 U. S. C. §3702(1).] Second, PASPA stops private parties from "sponsor[ing], operat[ing], advertis[ing], or promot[ing]" sports-gambling schemes if state law authorizes them to do so. §3702(2). [. . .] Nothing in these §3702(1) and §3702(2) prohibitions commands States to do anything other than desist from conduct federal law proscribes. [. . .] Nor is there any doubt that Congress has power to regulate gambling on a nationwide basis [. . .]. [. . .]

Surely, the accountability concern that gave birth to the anticommandeering doctrine is not implicated in any federal proscription other than the bans on States' authorizing and licensing sports-gambling schemes. [. . .] If States themselves and private parties may not operate sports-gambling schemes, responsibility for the proscriptions is hardly blurred. It cannot be maintained credibly that state officials have anything to do with the restraints. Unmistakably, the foreclosure of sports-gambling schemes, whether state run or privately operated, is chargeable to congressional, not state, legislative action. [. . .]

The Court wields an ax to cut down §3702 [PASPA] instead of using a scalpel to trim the statute. It does so apparently in the mistaken assumption that private sports-gambling schemes would become lawful in the wake of its decision. [. . .]

The Court strikes Congress' ban on state "sponsor[ship]" and "promot[ion]" of sports-gambling schemes because it has (mistakenly) struck Congress' prohibition on state "operat[ion]" of such schemes. See *ante*, at 27. It strikes Congress' prohibitions on private "sponsor[ship]," "operat[ion]," and "promot[ion]" of sports-gambling schemes because it has (mistakenly) struck those same prohibitions on the States. See *ante*, at 27–28. And it strikes Congress' prohibition on "advertis[ing]" sports-gambling schemes because it has struck everything else. See *ante*, at 29–30. [. . .]

In PASPA, shorn of the prohibition on modifying or repealing state law, Congress permissibly exercised its authority to regulate commerce by instructing States and private parties to refrain from operating sports-gambling schemes. On no rational ground can it be concluded that Congress would have preferred no statute at all if it could not prohibit States from authorizing or licensing such schemes. Deleting the alleged "commandeering" directions would free the statute to accomplish just what Congress legitimately sought to achieve: stopping sports-gambling regimes while making it clear that the stoppage is attributable to federal, not state, action. I therefore dissent from the Court's determination to destroy PASPA rather than salvage the statute.

Source: "Murphy, Governor of New Jersey, et al. v. National Collegiate Athletic Assn. et al.," Supreme Court of the United States, October Term, 2017, https://www.supremecourt.gov/opinions/17pdf/16-476_dbfi.pdf, accessed November 2018.

Endnotes

[1] Richard Johnson, "The centuries-old history of how sports betting became illegal in the United States in the first place," SB Nation, May 18, 2018, https://www.sbnation.com/2018/5/18/17353994/sports-betting-illegal-united-states-why, accessed November 2018.

[2] Johnson, "The centuries-old history of how sports betting became illegal in the United States in the first place."

[3] Eric Meer, "The Professional and Amateur Sports Protection Act (PASPA): A Bad Bet for the States," *UNLV Gaming Law Journal* 2:281 (January 2012): 281–309.

[4] Meer, "The Professional and Amateur Sports Protection Act (PASPA): A Bad Bet for the States."

[5] Joe Drape, "Cash-Hungry States Eye Sports Betting, to Leagues' Dismay," *The New York Times*, March 27, 2013, https://www.nytimes.com/2013/03/28/sports/more-states-look-to-get-in-the-sports-betting-game.html, accessed November 2018.

[6] "Nation OK with Sports Betting; Online Gambling a Different Story," Fairleigh Dickinson University's PublicMind Poll, December 21, 2012, http://publicmind.fdu.edu/2012/nationalbet/final.pdf, accessed November 2018.

[7] Jason Ankeny, "The Reality of Fantasy Sports," *Entrepreneur*, August 20, 2009, https://www.entrepreneur.com/article/203140, accessed November 2018.

[8] Ankeny, "The Reality of Fantasy Sports."

[9] James Montague, "The rise and rise of fantasy sports," CNN, January 20, 2010, http://www.cnn.com/2010/SPORT/football/01/06/fantasy.football.moneyball.sabermetrics/index.html, accessed November 2018.

[10] Ankeny, "The Reality of Fantasy Sports."

[11] Darren Rovell, "Tom Brady: Biggest Loss Is Fantasy Value," CNBC, September 8, 2008, https://www.cnbc.com/id/26608023, accessed November 2018.

[12] Ankeny, "The Reality of Fantasy Sports."

[13] Rovell, "Tom Brady: Biggest Loss Is Fantasy Value."

[14] Ankeny, "The Reality of Fantasy Sports."

[15] Darren Heitner, "Congress Wisely Puts Legal Status Of Fantasy Sports Under Review," *Forbes*, September 15, 2015, https://www.forbes.com/sites/darrenheitner/2015/09/15/congress-wisely-puts-legal-status-of-fantasy-sports-under-review/#3b6f7c6a76e9, accessed November 2018.

[16] David J. Apfel and Andre Kim, "Fantasy sports vs. illegal gambling: Where's the line?" CNBC, April 6, 2015, https://www.cnbc.com/2015/04/06/fantasy-sports-vs-illegal-gambling-wheres-the-line-commentary.html, accessed November 2018.

[17] Craig Bennett, "How Does DraftKings Work?" Heavy, September 6, 2018, https://heavy.com/sports/2015/07/how-does-draftkings-work-promo-code-deposit-bonus-rules-legal/, accessed November 2018.

[18] Drew Casey, "DraftKings, FanDuel make millions, and give them away, as fantasy revs up," CNBC, September 20, 2015, https://www.cnbc.com/2015/09/20/draftkings-fanduel-make-millions-and-give-them-away-as-fantasy-revs-up.html, accessed November 2018.

[19] Darren Heitner, "Atlas Venture Delivers $7 Million To Daily Fantasy Sports Provider DraftKings, Inc.," *Forbes*, May 6, 2013, https://www.forbes.com/sites/darrenheitner/2013/05/06/atlas-venture-delivers-7-million-to-daily-fantasy-sports-provider-draftkings-inc/#62b800702c9b, accessed November 2018.

[20] Darren Heitner, "$24 Million Investment In DraftKings Should Shake Up The Daily Fantasy Sports Space," *Forbes*, November 26, 2013, https://www.forbes.com/sites/darrenheitner/2013/11/26/daily-fantasy-sports-provider-draftkings-secures-substantial-amount-of-series-b-funding/#63596183753e, accessed November 2018.

21 Joshua Brustein, "Fantasy Sports and Gambling: Line Is Blurred," *The New York Times*, March 11, 2013, https://www.nytimes.com/2013/03/12/sports/web-sites-blur-line-between-fantasy-sports-and-gambling.html, accessed November 2018.

22 Heitner, "$24 Million Investment In DraftKings Should Shake Up The Daily Fantasy Sports Space."

23 Darren Heitner, "Major Storm Brewing Between Fantasy Sports Giants: FanDuel Vs. DraftKings," *Forbes*, March 13, 2014, https://www.forbes.com/sites/darrenheitner/2014/03/13/major-storm-brewing-between-fantasy-sports-giants-fanduel-vs-draftkings/#39cc5487604f, accessed November 2018.

24 Darren Heitner, "DraftKings Responds To FanDuel's Fantasy Sports False Advertising Claim," *Forbes*, March 24, 2014, https://www.forbes.com/sites/darrenheitner/2014/03/24/draftkings-responds-to-fanduels-fantasy-sports-false-advertising-claim/#68f31be93efc, accessed November 2018.

25 Steve Gardner, "Daily fantasy sports site DraftKings acquires DraftStreet," *USA Today*, July 14, 2014, https://www.usatoday.com/story/sports/fantasy/2014/07/14/draft-kings-draft-street-acquisition/12640959/, accessed November 2018.

26 Darren Heitner, "FanDuel Adds $70 Million In Funding Following DraftKings $41 Million Raise," *Forbes*, September 2, 2014, https://www.forbes.com/sites/darrenheitner/2014/09/02/fanduel-adds-70-million-in-funding-following-draftkings-41-million-raise/#4a78af126345, accessed November 2018.

27 Heitner, "FanDuel Adds $70 Million In Funding Following DraftKings $41 Million Raise."

28 Darren Heitner, "New England Patriots Partner With DraftKings," *Forbes*, October 16, 2014, https://www.forbes.com/sites/darrenheitner/2014/10/16/new-england-patriots-partner-with-draftkings/#6a96347911d9, accessed November 2018.

29 Darren Heitner, "FanDuel And DraftKings Dueling Over Team And League Partnerships," *Forbes*, November 14, 2014, https://www.forbes.com/sites/darrenheitner/2014/11/14/fanduel-and-draftkings-dueling-over-team-and-league-partnerships/#3af2129e7cf4, accessed November 2018.

30 Heitner, "FanDuel And DraftKings Dueling Over Team And League Partnerships."

31 Lora Kolodny, "Fantasy Sports Create Billion-Dollar Startups," *The Wall Street Journal*, July 14, 2015, https://www.wsj.com/articles/fantasy-sports-create-billion-dollar-startups-1436846402?mod=article_inline, accessed November 2018.

32 Richard Sandomir, "Fantasy Sports Website DraftKings Adds $300 Million in New Investment," *The New York Times*, July 26, 2015, https://www.nytimes.com/2015/07/27/sports/fantasy-sports-website-draftkings-adds-dollar300-million-in-new-investment.html, accessed November 2018.

33 Joe Drape and Ken Belson, "An Ad Blitz for Fantasy Sports Games, but Some See Plain Old Gambling," *The New York Times*, September 16, 2015, https://www.nytimes.com/2015/09/17/sports/football/draftkings-fanduel-fantasy-sports-games.html, accessed November 2018.

34 Kolodny, "Fantasy Sports Create Billion-Dollar Startups."

35 Kolodny, "Fantasy Sports Create Billion-Dollar Startups."

36 Charles P. Pierce, "It's Time to Stop Being Stupid About Sports Gambling," Grantland, October 14, 2015, http://grantland.com/the-triangle/its-time-to-stop-being-stupid-about-sports-gambling/, accessed November 2018.

37 Ed Miller and Daniel Singer, "For daily fantasy-sports operators, the curse of too much skill," McKinsey & Company, September 2015, https://www.mckinsey.com/industries/media-and-entertainment/our-insights/for-daily-fantasy-sports-operators-the-curse-of-too-much-skill, accessed November 2018.

38 Drape and Belson, "An Ad Blitz for Fantasy Sports Games, but Some See Plain Old Gambling."

39 Noah Davis, "The Daily Fantasy Sports Takeover," *Vice Sports*, October 29. 2014, https://sports.vice.com/en_us/article/pg58my/the-daily-fantasy-sports-takeover, accessed November 2018.

40 Daniel Roberts, "Full timeline: The DraftKings/FanDuel data scandal," *Fortune*, October 7, 2015, http://fortune.com/2015/10/07/draftkings-fanduel-scandal-timeline/, accessed November 2018.

[41] colinwdrew, "DraftKings Ownership Leak," NFL Forum, RotoGrinders, https://rotogrinders.com/threads/draftkings-ownership-leak-850584?page=1#reply-850635, accessed November 2018.

[42] Ethan, "DraftKings Ownership Leak," NFL Forum, RotoGrinders, https://rotogrinders.com/threads/draftkings-ownership-leak-850584?page=1#reply-850635, accessed November 2018.

[43] Roberts, "Full timeline: The DraftKings/FanDuel data scandal."

[44] Roberts, "Full timeline: The DraftKings/FanDuel data scandal."

[45] "DraftKings Statement – 10/5/15," DraftKings, https://www.draftkings.com/playbook/uncategorized/draftkings-statement-10515/, accessed November 2018.

[46] Joe Drape and Jacqueline Williams, "Scandal Erupts in Unregulated World of Fantasy Sports," *The New York Times*, October 5, 2015, https://www.nytimes.com/2015/10/06/sports/fanduel-draftkings-fantasy-employees-bet-rivals.html, accessed November 2018.

[47] "DraftKings Statement – 10/6/15," DraftKings, October 6, 2015, https://www.draftkings.com/playbook/press/draftkings-statement-10615, accessed November 2018.

[48] Michael Damiano, "DraftKings CEO Jason Robins Regrets Nothing," *Boston*, April 3, 2018, https://www.bostonmagazine.com/news/2018/04/03/jason-robins-draftkings/, accessed November 2018.

[49] Lucinda Shen, "DraftKings and FanDuel Settle New York Lawsuit for $12 Million," *Fortune*, October 26, 2016, http://fortune.com/2016/10/26/draftkings-fanduel-settlement/, accessed November 2018.

[50] Shen, "DraftKings and FanDuel Settle New York Lawsuit for $12 Million."

[51] Brad Reagan and Devlin Barrett, "FBI, Justice Department Investigating Daily Fantasy Sports Business Model," *The Wall Street Journal*, October 15, 2015, https://www.wsj.com/articles/fbi-justice-department-investigating-daily-fantasy-sports-business-model-1444865627, accessed November 2018.

[52] Joe Drape, "Nevada Says It Will Treat Daily Fantasy Sports Sites as Gambling," *The New York Times*, October 15, 2015, https://www.nytimes.com/2015/10/16/sports/gambling-regulators-block-daily-fantasy-sites-in-nevada.html, accessed November 2018.

[53] Walt Bogdanich, Joe Drape, and Jacqueline Williams, "Attorney General Tells DraftKings and FanDuel to Stop Taking Entries in New York," *The New York Times*, November 11, 2015, https://www.nytimes.com/2015/11/11/sports/football/draftkings-fanduel-new-york-attorney-general-tells-fantasy-sites-to-stop-taking-bets-in-new-york.html, accessed November 2018.

[54] Damiano, "DraftKings CEO Jason Robins Regrets Nothing."

[55] Jenna Portnoy, "Why FanDuel and DraftKings are happy with these restrictions," *The Washington Post*, March 8, 2016, https://www.washingtonpost.com/local/virginia-politics/virginia-becomes-first-in-nation-to-regulate-fantasy-sports-industry/2016/03/08/a40d0bd4-e542-11e5-b0fd-073d5930a7b7_story.html?noredirect=on&utm_term=.3136e03d0756, accessed November 2018.

[56] James Vincent, "DraftKings and FanDuel are now legal again in New York state," The Verge, August 4, 2016, https://www.theverge.com/2016/8/4/12373786/draftkings-fanduel-legal-new-york-state, accessed November 2018.

[57] Chris Isidore, "DraftKings' value has tumbled by 60%, Fox says," CNN, February 10, 2016, https://money.cnn.com/2016/02/10/media/draftkings-value-fox-investment/index.html, accessed November 2018.

[58] Alexandra Berzon, "Fantasy-Sports Sites Curtail Ad Spending," *The Wall Street Journal*, August 1, 2016, https://www.wsj.com/articles/fantasy-sports-rivals-slice-ad-spending-1470052800?mod=article_inline, accessed November 2018.

[59] Shen, "DraftKings and FanDuel Settle New York Lawsuit for $12 Million."

[60] Nate Raymond, "DraftKings, FanDuel to pay $2.6 million to resolve Massachusetts probe," Reuters, September 7, 2017, https://www.reuters.com/article/us-massachusetts-fantasysports/draftkings-fanduel-to-pay-2-6-million-to-resolve-massachusetts-probe-idUSKCN1BI31J, accessed November 2018.

[61] Alexandra Berzon, "DraftKings and FanDuel Agree to Merge," *The Wall Street Journal,* November 18, 2016, https://www.wsj.com/articles/draftkings-and-fanduel-agree-to-merge-1479479405, accessed November 2018.

[62] Berzon, "DraftKings and FanDuel Agree to Merge."

[63] Marc Edelman, "FTC Challenges Proposed DraftKings And FanDuel Merger: A Win For Daily Fantasy Consumers," *Forbes*, June 19, 2017, https://www.forbes.com/sites/marcedelman/2017/06/19/ftc-challenges-proposed-draftkings-and-fanduel-merger-a-win-for-daily-fantasy-consumers/#72c0139f4698, accessed November 2018.

[64] Brent Kendall, "FTC to Sue to Block Merger of Fantasy Sports Sites DraftKings and FanDuel," *The Wall Street Journal*, June 19, 2017, https://www.wsj.com/articles/ftc-to-sue-to-block-merger-of-fantasy-sports-sites-draftkings-and-fanduel-1497888131, accessed November 2018.

[65] Chris Kirkham and Ezequiel Minaya, "DraftKings, FanDuel Call Off Merger," *The Wall Street Journal*, July 13, 2017, https://www.wsj.com/articles/draftkings-fanduel-call-off-merger-1499976072, accessed November 2018.

[66] Damiano, "DraftKings CEO Jason Robins Regrets Nothing."

[67] Chris Kirkham, "DraftKings, FanDuel Face Test of Their Business as They Go It Alone," *The Wall Street Journal*, August 6, 2017, https://www.wsj.com/articles/draftkings-fanduel-face-test-of-their-business-as-they-go-it-alone-1502020801, accessed November 2018.

[68] Meer, "The Professional and Amateur Sports Protection Act (PASPA): A Bad Bet for the States."

[69] "National Collegiate Athletic Association et al., v. Christopher J. Christie et al.," United States District Court, District of New Jersey, August 7, 2012, p. 3, via the National Collegiate Athletic Association, http://fs.ncaa.org/Docs/public/NJComplaint_001-c.pdf, accessed November 2018.

[70] Joe Drape, "Cash-Hungry States Eye Sports Betting, to Leagues' Dismay," *The New York Times*, March 27, 2013, https://www.nytimes.com/2013/03/28/sports/more-states-look-to-get-in-the-sports-betting-game.html, accessed November 2018.

[71] Drape, "Cash-Hungry States Eye Sports Betting, to Leagues' Dismay."

[72] "Gambling with SCOTUS: Christie v. NCAA," *National Law Review*, January 9, 2018, https://www.natlawreview.com/article/gambling-scotus-christie-v-ncaa, accessed November 2018.

[73] Adam Silver, "Legalize and Regulate Sports Betting," *The New York Times*, November 13, 2014, https://www.nytimes.com/2014/11/14/opinion/nba-commissioner-adam-silver-legalize-sports-betting.html?module=inline, accessed November 2018.

[74] Brent Kendall, Chris Kirkham, and Andrew Beaton, "Supreme Court Ruling for New Jersey Opens Door to Sports Betting," *The Wall Street Journal*, May 14, 2018, https://www.wsj.com/articles/supreme-court-ruling-for-new-jersey-opens-door-to-sports-betting-1526308430, accessed November 2018.

[75] "AGA Statement on Supreme Court Ruling on Murphy v NCAA," American Gaming Association, May 14, 2018, https://www.americangaming.org/newsroom/press-releasess/aga-statement-supreme-court-ruling-murphy-v-ncaa, accessed November 2018.

[76] Jacob Wolf, "Mark Cuban: SCOTUS ruling on betting doubled franchise values," ESPN, May 15, 2018, http://www.espn.com/chalk/story/_/id/23511326/dallas-mavericks-owner-mark-cuban-says-sports-betting-ruling-doubled-franchise-values-overnight, accessed November 2018.

[77] Danny Heifetz, "If Sports Gambling Is Legal, Where Does the Money Go?" The Ringer, May 24, 2018, https://www.theringer.com/2018/5/24/17386952/sports-gambling-money, accessed November 2018.

[78] Heifetz, "If Sports Gambling Is Legal, Where Does the Money Go?"

[79] Adam Liptak and Kevin Draper, "Supreme Court Ruling Favors Sports Betting," *The New York Times,* May 14, 2018, https://www.nytimes.com/2018/05/14/us/politics/supreme-court-sports-betting-new-jersey.html, accessed November 2018.

[80] Brian Barrett, "The Sports Betting Revolution Will Be a Slow Play Online," *Wired*, May 15, 2018, https://www.wired.com/story/the-sports-betting-revolution-will-be-muted-online/, accessed November 2018.

[81] Heifetz, "If Sports Gambling Is Legal, Where Does the Money Go?"

82 Andrew Beaton, "How Sports Leagues Are Gearing Up for the Future of Betting," *The Wall Street Journal*, May 14, 2018, https://www.wsj.com/articles/how-sports-leagues-are-gearing-up-for-the-future-of-betting-1526330495, accessed November 2018.

83 Kendall, Kirkham, and Beaton, "Supreme Court Ruling for New Jersey Opens Door to Sports Betting."

84 Peter Kafka, "Here's the first deal of the legal sports betting era: Paddy Power Betfair is buying FanDuel," Recode, May 23, 2018, https://www.recode.net/2018/5/23/17385048/legal-sports-betting-paddy-power-betfair-fanduel, accessed November 2018.

85 Kafka, "Here's the first deal of the legal sports betting era: Paddy Power Betfair is buying FanDuel."

86 Darren Heitner, "Former Investment Darlings DraftKings And FanDuel Are Struggling To Grow," *Forbes*, February 14, 2018, https://www.forbes.com/sites/darrenheitner/2018/02/14/former-investment-darlings-draftkings-and-fanduel-are-struggling-to-grow/#40b4a59a269e, accessed November 2018.

87 Jeff Engel, "DraftKings CEO on Failed Merger, IPO Plans, Sports Betting Prospects," Xconomy, March 13, 2018, https://xconomy.com/boston/2018/03/13/draftkings-ceo-on-failed-merger-ipo-plans-sports-betting-prospects/2/, accessed November 2018.