



MEMORANDUM

TO: ALL MAJOR LEAGUE CLUBS
ALL MLB ENTITIES

FROM: Office of the Commissioner

DATE: May 20, 2022

RE: MLB POLICY ON SPORTS BETTING

This bulletin sets forth Major League Baseball's policy with respect to sports betting. Although Major League Rule 21 already reflects some of the rules and principles addressed here, we believe that additional rules are required to protect the integrity of our sport as legalized sports betting expands across the country. This bulletin must be distributed to all central baseball and Club employees. This bulletin supersedes the "MLB Policy on Sports Betting" dated March 4, 2020. A separate bulletin addresses the rules regarding Club commercial arrangements with operators of sportsbooks (the "Commercial Sports Betting Policy").

I. Coverage of the Policy

This policy covers the following groups of individuals:

- A. "Club Personnel"** means any director, officer or employee (whether full-time, part-time or seasonal, and including, without limitation, Professional Development League players) of any Club or any independent contractor of any Club who has direct access to players or any Club or player nonpublic information (e.g., Club physicians and clubhouse security personnel). Policies with respect to Major League players are set forth in the Sports Betting Policy for Major League Players, which has been distributed to Clubs separately.
- B. "MLB Personnel"** means any employee of any central baseball entity, including, without limitation, the Office of the Commissioner of Baseball, MLB Advanced Media, L.P., The MLB Network, LLC and Tickets.com, LLC, or any independent contractor of any central baseball entity who has direct access to players or any Club, player or league nonpublic information.
- C. "Club Owners"** means any owner (whether direct or indirect, or as sole proprietor, shareholder, member, general or limited partner, or trustee) of any Club.¹

Club Personnel, MLB Personnel and Club Owners together will be referred to as "Baseball Personnel" in this bulletin.

¹ Restrictions applicable to beneficial owners of Clubs (including trust beneficiaries) who have no involvement in the governance or operations of the Club will be determined on a case-by-case basis by the Commissioner.

II. Prohibited Conduct by Baseball Personnel

- A. No Betting on Baseball or Softball.** Baseball Personnel may not bet on any professional or amateur baseball or softball games (including, without limitation, Major League Baseball, Professional Development League, international, college, high school, and youth games) (hereinafter referred to as "Baseball Games") or events (including, without limitation, home run derbies, all-star games, skills competitions, player transactions and player drafts) (hereinafter referred to as "Baseball Events"). To be clear, this prohibition covers all bets on Baseball Games or Baseball Events, including, without limitation, bets on game outcomes, player performance, team performance, postseason qualification, postseason results, all-star events, home run derbies, actions that occur during games or events, player transactions and the draft. See also Major League Rule 21(d). In addition, Baseball Personnel may not ask others to place bets on their behalf or otherwise benefit financially from, or assist with, bets placed by others (whether or not those bets are on Baseball Games or Baseball Events).
- B. Fantasy Games.** Baseball Personnel are prohibited from participating in, asking others to participate on their behalf, assisting any third party with or otherwise benefitting financially from any baseball or softball-related fantasy games (e.g., daily fantasy or season-long fantasy) in which prize money or other things of value are available to participants. Baseball Personnel may participate in legal fantasy games relating to sports other than baseball or softball for prizes or other things of value.
- C. Illegal Sports Betting.** Baseball Personnel may not place illegal sports bets. Illegal sports bets include sports bets placed in jurisdictions where sports betting is not yet legal, and sports bets placed through bookies or illegal offshore sportsbooks (even if the bettor is in a jurisdiction where sports betting is otherwise legal). See also Major League Rule 21(d)(3).
- D. Betting on Sports Other Than Baseball or Softball.** Baseball Personnel may place legal bets on sports other than baseball or softball in jurisdictions where sports betting is legal, provided that the person placing the bet is eligible under applicable law to place the wager. Baseball Personnel who decide to bet on sports other than baseball or softball should always do so responsibly. For questions or concerns about a personal gambling problem, call or text the National Problem Gambling Helpline at 1-800-522-4700, or chat with a helpline specialist at www.ncpgambling.org/chat. These resources are free, confidential, and available 24/7.
- E. Game Fixing.** Baseball Personnel are prohibited from influencing or manipulating (or attempting to influence or manipulate) any Baseball Game or Baseball Event so that the final outcome or any other outcome or aspect of the game or event is fully determined by anything other than its merits. Baseball Personnel violate this rule by engaging in any activity that is motivated, in whole or in part, by an intent to influence the final outcome or any other outcome or aspect of a Baseball Game or Baseball Event, irrespective of whether they benefit financially from their wrongful conduct. Baseball Personnel shall also be in violation of this rule by failing to report any attempt to solicit them to influence

or manipulate any aspect of a Baseball Game or Baseball Event, or any information they receive regarding potential violations of this rule. See also Major League Rule 21(a).

- F. No Tipping or Disclosure of Confidential Information.** Confidential information, including information regarding player health, rosters, lineups, transactions, discipline or umpires, may be sought by individuals looking to exploit such information in sports betting markets. Baseball Personnel are prohibited from disclosing such confidential information regarding their Club, their Club's Professional Development League affiliates, MLB or any professional or amateur baseball or softball team or league, to any person unless authorized to do so under the policies of both their Club and MLB. Baseball Personnel must exercise care not to unintentionally disclose confidential information to individuals who seek to utilize that information to place wagers.
- G. Performance of Services Related to Sports Betting.** Except as may be permitted pursuant to Section IV.B., Baseball Personnel may not perform services in any capacity involving sports betting for any third party (including, without limitation, consulting or advising on sports betting issues, or advertising, promoting or endorsing sports betting products or services). Notwithstanding the foregoing, Club Personnel may perform services for an entity that operates a sportsbook (e.g., casino) only if: (i) the entity derives less than 10% of its total annual gaming revenue from sports betting; (ii) the services are wholly unrelated to the operation of the entity's sportsbook (e.g., restaurant employee, dealer); and (iii) both the individual's Club and the Commissioner's Office approve of the provision of such services.

Failure to abide by the rules described above will result in disciplinary action, which may include fines, suspensions, termination of employment and/or permanent ineligibility to play for, associate with or work in Major League Baseball or the Professional Development League System.

III. Reporting of Prohibited Conduct to the Commissioner's Office

- A. Obligation to Report Prohibited Conduct.** Baseball Personnel must immediately report to the Department of Investigations any information they possess involving a violation, or suspected violation, of the rules described above, including attempts by or requests to Baseball Personnel to engage in conduct that may violate the rules.
- B. Discipline for Failure to Report.** Failure to report such information may result in disciplinary action. Retaliation against any individual who, in good faith, reports a violation or suspected violation of the rules set forth in this bulletin, even if an investigation finds that misconduct did not occur, is prohibited.

IV. Ownership Interest in an Entity Involved in Sports Betting

Section IV.A below sets forth the restrictions on Club Personnel and MLB Personnel with respect to holding ownership or economic interests in, or serving as directors of, entities involved in sports wagering, which include, but are not limited to, casinos, racetracks, fantasy

sports companies, sportsbooks or other entities that offer or accept wagering relating to sporting events ("Sports Gaming Company"). Section IV.B below sets forth the restrictions on Club Owners (as defined in Section I.C. of this bulletin). Section IV.C below sets forth the restrictions on Clubs.

A. Club Personnel and MLB Personnel. Club Personnel (other than Club Owners) and MLB Personnel are not permitted to serve as directors of or hold direct or indirect ownership or economic interests ("Ownership Interests") in Sports Gaming Companies. The determination of whether an entity is a Sports Gaming Company will be made by the Commissioner. Notwithstanding the foregoing, and subject to Section IV.B below, Club Personnel and MLB Personnel may own shares in a Sports Gaming Company provided that the individual does not own directly or indirectly more than 1% of any class of securities (or class of other ownership interests) in such company and does not serve as an officer, director, employee or consultant of the company.

B. Club Owners.

- 1. Restricted Club Owners.** For purpose of this Section IV.B, a "Restricted Club Owner" is any Club Owner that either: (i) owns or controls (directly or indirectly) 5% or more of all equity interests in any Club; (ii) is a director, officer, employee or consultant of a Club; or (iii) has involvement in the business or operations of a Club.
- 2. Ownership Interest of Less Than 10% of Sports Gaming Company.** A Restricted Club Owner may hold an Ownership Interest in a Sports Gaming Company that represents less than 10% of all equity interests of the Sports Gaming Company only if the following criteria are satisfied:
 - a. The Restricted Club Owner is not an officer or director of the Sports Gaming Company;
 - b. The Ownership Interest held by the Restricted Club Owner does not subject any Baseball Personnel (other than the Club Owner in his or her individual capacity), any Club, any PDL Club, Major League Baseball or the Professional Development League System to the licensure/regulatory requirements imposed on the Sports Gaming Company by any government authority;
 - c. The Restricted Club Owner does not have any day-to-day involvement in the business or operations of the Sports Gaming Company that relate to or involve betting on Baseball Games or Baseball Events;
 - d. The Restricted Club Owner and the Sports Gaming Company has put in place safeguards approved by the Commissioner to ensure that no confidential or proprietary information relating to Major League Baseball, the Professional Development League System, Major League Clubs or PDL Clubs (including, without limitation, information regarding players, transactions and league and Club business) is disclosed to any person involved in the Sports Gaming Company's sports betting operations; and

- e. The Commissioner and the Club's control person have approved in writing (i) the acquisition of the Ownership Interest in advance of such acquisition or (ii) the retention of an Ownership Interest in a company that has become a Sports Gaming Company within 90 days of such company becoming a Sports Gaming Company.

The Commissioner may impose additional criteria or modify the criteria set forth above in his or her sole discretion. Notwithstanding the foregoing, Restricted Club Owners may own an interest representing less than 1% of the total outstanding shares of a publicly traded company that is a Sports Gaming Company without having to comply with the criteria set forth in this Section IV.B.2.

3. Ownership Interest of 10% or Greater of Sports Gaming Company. Restricted Club Owners whose Ownership Interest in a Sports Gaming Company represents 10% or more of all equity interests of the Sports Gaming Company, or who serve as officers or directors of the Sports Gaming Company, must satisfy the criteria set forth in (i) Section IV.B.2(b)-(e) above, (ii) *either* clause (a) or clause (b) below, and, (iii) to the extent the Restricted Club Owner intends to serve as an officer or director of the Sports Gaming Company, clause (c) below.

- a. The Sports Gaming Company does not directly or indirectly conduct, offer, accept or facilitate the following types of sports bets:
 - i. Wagers involving the Restricted Club Owner's Major League Club (including wagers involving that Major League Club's opponents in particular games);
 - ii. Wagers on the All-Star Game, Home Run Derby or any other Baseball Event;
 - iii. Wagers involving PDL Clubs affiliated with the Restricted Club Owner's Major League Club (including wagers involving those PDL Clubs' opponents in particular games);
 - iv. Wagers involving PDL Clubs in which the Restricted Club Owner has an ownership or economic interest (including wagers involving those PDL Clubs' opponents in particular games); and
 - v. Wagers related to the performance of any player on the Restricted Club Owner's Major League Club, PDL Club (if any) or Professional Development League affiliates of such Major League Club (including wagers related to the performance of players on teams opposing the applicable Club in particular games).
- b. All of the Sports Gaming Company's sports gaming activities are administered by an independent third party that:
 - i. is an Approved Sports Betting Operator, as that term is defined in the Commercial Sports Betting Policy;
 - ii. has restricted the Restricted Club Owner from involvement in any of the independent third party's sports gaming activities and in any decision-making

related to those sports gaming activities;

- iii. does not have any arrangement with the Sports Gaming Company in which the Sports Gaming Company receives a share of the profit or gross gaming revenues (i.e., net win) of the independent third party related to Baseball Games or Baseball Events; and
- iv. has submitted the proposed commercial arrangement with the Sports Gaming Company to the Commissioner's Office prior to execution, and such arrangement has been approved by the Commissioner's Office.
- c. The Commissioner and the Club's control person have provided advance written approval for the Restricted Club Owner serving as an officer or director of the Sports Gaming Company.

4. Other Club Owners. A Club Owner who is not a Restricted Club Owner under the definition set forth in Section IV.B.1 above may hold an Ownership Interest in or serve as an officer or director of a Sports Gaming Company if (a) written approval is given by the Commissioner prior to the acquisition of the Ownership Interest or the Club Owner becoming an officer or director of the Sports Gaming Company and (b) the Club Owner complies (and remains in compliance) with any conditions imposed by the Commissioner as a prerequisite for approving the acquisition of the Ownership Interest and/or service as an officer or director of the Sports Gaming Company.

C. Clubs. Clubs may not hold an Ownership Interest in a Sports Gaming Company that offers or accepts wagers on sporting events. Clubs may hold an Ownership Interest in other Sports Gaming Companies if (a) written approval is given by the Commissioner prior to the acquisition of the Ownership Interest and (b) the Club complies (and remains in compliance) with any conditions imposed by the Commissioner as a prerequisite for approving the acquisition of the Ownership Interest in the Sports Gaming Company.

D. Disclosure Requirement. Each Club must disclose any Ownership Interest in, or any position with, a Sports Gaming Company held by Club Personnel, Club Owners or the Club in its annual Statement of Club Ownership & Affiliations. See also MLR 20(h). Any Club Owner or Club holding an Ownership Interest in, or a position with, a Sports Gaming Company must provide a certification on an annual basis attesting that the criteria for holding such an interest or position have been, and continue to be, satisfied.

This bulletin may not cover all future questions and proposals. If necessary, the Commissioner will review each matter on its own merits and make case-by-case determinations.

If you have any questions regarding Sections I-III of this bulletin, please contact Bryan Seeley, Quest Meeks, or Leo Villalobos. If you have questions regarding Section IV, please contact Chris Brumm or Julia Gaffin Vogel.