

## **FSTA Board of Directors Meeting Minutes**

Sept. 16, 2015

- I. Roll Call (bold names indicate present, italics absent but gave heads up):

**Megan Van Petten**

1. **Greg Ambrosius**
2. **Steve Byrd**
3. **Paul Charchian**
4. **Nigel Eccles**
5. **Neil Erlick**
6. **Howard Kamen**
7. **Ted Kasten**
8. **Tom Knapp**
9. Guy Lake
10. **George Leimer**
11. **Rob Phythian**
12. **Jason Robins**
13. **Peter Schoenke**
14. **Cal Spears**
15. **Stacie Stern**
16. **Charlie Wiegert**
17. **Rick Wolf**
18. **Marc Zwillinger**

- II. Approve previous month's minutes

- III. Committee Reports

None

- IV. Old Business

- a. Returning to August motion made by Charlie, seconded by Rick and amended by Paul:

Motion:

The Executive Committee, working on our self-regulation project, makes sure that whatever comes out of the committee includes a pledge that the FSTA remains UIGEA compliant.

Amendment: The enforcement portion will be removed from the original motion and the FSTA's Paid Entry Contest Operator Charter, found at <http://fsta.org/about/fsta-paid-entry-contest-operator-charter/>, is amended to remove the second sentence from the first paragraph that states: "Any violation that is not remedied within 30 days of notification by the FSTA can result in revocation of FSTA membership at the FSTA board's sole discretion."

- b. Before vote could be taken, Peter makes a motion to table the motion to the October board meeting. George seconds the motion.

### **Motion to table fails**

- c. Peter makes a motion to amend the amendment: Strike Charlie's language from the original motion and only Paul's amended language stands as the motion. Paul seconds the motion.

### Discussion:

- Paul: Motion is to take expulsion language out of the charter, but leave discretion in. We're not knowledgeable enough to enforce and we don't have the time to do this. If you don't do business the right way, we have a mechanism to expulsion, but not an auto/mandatory process.
- Tom: Likes the idea. Work together as a group and industry to do the right thing using the guidelines to comply as best we can. However, is the timing right to remove something from the charter now?
- Jason: UIGEA has been a good catalyst from a PR/symbolic perspective but it doesn't apply as administration of law. We believe games were legal before UIGEA and are still legal after UIGEA. One concern: Continuing to push it publicly as a safe harbor creates risk. We need to be sounder in our legal arguments for what will hold up in court (e.g., skill).
- Marc: Need to separate UIGEA and enforcement. Against amendment. We shouldn't be fiddling with charter now. No mandatory enforcement in charter; discretion of FSTA now. Wait until we have a substitute charter. Making a change could draw attention.
- Neil: Compliance is something Optimal deals with on a daily basis. If it said, "compliant with state and federal laws," we wouldn't be having this debate. There are current members Optimal won't work with because we don't feel they're compliant.
- Charlie: Purpose of reaffirming UIGEA is so we have the opportunity to question a company and the company has a chance to respond. Then the FSTA board can determine what to do.

### **Motion passes**

- d. Now a vote on the amended motion takes place. With Charlie's original language no longer part of the motion, the motion now reads:

The FSTA's Paid Entry Contest Operator Charter, found at <http://fsta.org/about/fsta-paid-entry-contest-operator-charter/>, is amended to remove the second sentence from the first paragraph that states: "Any violation that is not remedied within 30 days of notification by the FSTA can result in revocation of FSTA membership at the FSTA board's sole discretion."

**Motion passes**

V. New Business

None

VI. Open Discussion

Legal update:

- California: Proposal floated to tax and regulate fantasy industry ... not a bill yet ... won't come up until next session. We have lobbyist on it.
- Federal: Rep. Frank Pallone (D-NJ) has asked the Committee on Energy & Commerce to review the legal status of fantasy games. This is a request for a hearing; no proposed legislation yet. Dentons, our federal lobbyist is on the case and the FSTA has issued a statement.

<http://www.legalsportsreport.com/3896/daily-fantasy-sports-congress-hearing/>

[http://www.nj.com/bergen/index.ssf/2015/09/nj\\_lawmaker\\_throws\\_flag\\_on\\_fantasy\\_sports\\_wants\\_he.html](http://www.nj.com/bergen/index.ssf/2015/09/nj_lawmaker_throws_flag_on_fantasy_sports_wants_he.html)

[http://www.huffingtonpost.com/entry/congress-pallone-daily-fantasy-sports-hearings\\_55f734b5e4b00e2cd5e7a03b](http://www.huffingtonpost.com/entry/congress-pallone-daily-fantasy-sports-hearings_55f734b5e4b00e2cd5e7a03b)

PR update:

- PR Committee is recommending that the FSTA takes a 3-pronged approach to public relations and hiring a PR firm:
  - Finsbury (<http://www.finsbury.com/>) will be hired to handle public affairs, crisis management, overall messaging around legal issues, lobbying, etc. FanDuel, DraftKings, and any other FSTA companies that wish to, will pay for Finsbury's fees.
  - With its own funds, the FSTA will hire a different PR firm, likely either Drotman Communications (<http://www.drotmanpr.com/>) or Macali Communications (<http://macalicomm.com/>) to handle internal

communications, conference-related PR, website management and other non-legal/public affairs issues.

- With its own funds, the FSTA will seek to retain Glenn Colton as the FSTA's legal expert and go-to person on legal questions and legal-related PR requests. (Need to see if Glenn is open to this, however.)
- Internal transparency is a key to this strategy. To that end:
  - There will be regular meetings (at least monthly) between Finsbury, the FSTA PR firm and the FSTA PR Committee.
  - Orrick will give a report to the board at an upcoming meeting to address our legislative strategy.
  - Finsbury will provide a report to the board at each of our conferences on its work and progress.
  - Peter will provide written updates to the board every two weeks with developments out of the Legislative Affairs Committee.

VII. Meeting adjourned: Next regular meeting will be Thursday, Oct. 1 at 2 p.m. ET.