DFSRegs

From:
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Subject: DFS Comment

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Formstack Submission for form DFS Comment

Submitted at 01/14/16 2:41 PM

Name:	Francis Brown
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Comment:	Dear Attorney General Healey:

My name is Francis Brown and I am a licensed (although non-practicing) attorney in the Commonwealth. I am writing to express my support for most of the proposed regulations of the Daily Fantasy Industry. Although I have a few minor critiques, I applaud your office for taking a leadership role in regulating the DFS industry. The proposed regulations are sensible, fair, and allowed for continued enjoyment of Daily Fantasy by residents of the Commonwealth, while still offering solid consumer protection regulations to protect at-risk people.

Justice Brandies famously stated in New State Ice Co. vs. Liebmann that a “state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.” This is truer in the Commonwealth than almost anywhere else. Since the 17th century, Massachusetts has been a leader of innovation, development, and change. Many of the best minds are educated here. We have the best hospitals in the world, and the best schools. Start-ups from all fields flock to Massachusetts. DraftKings, as you well know, has its headquarters in Boston. Let DraftKings follow in the same mould.

I am personally more on the libertarian spectrum politically. Oftentimes over-regulation can lead to stagnation and economic malaise. However, it is clear to me that some industries need regulation. This is a prime example. Regulation, when used reasonably (as it is in this case) can better protect the citizenry without controlling them. The regulations proposed allow the consumers in the Commonwealth to make their own choice about whether or not to play. They also, just as importantly, protect those who are at risk.

Economically, allowing DFS in Massachusetts makes sense. It will generate tax revenue, and as the industry continues to grow, it will increase job opportunities. As many proponents (and critics) point out, DFS is very data driven. Many of these jobs will attract experts in finance, economics, and computer science. These are the industries of the future. If nothing else, things like DFS promote an interest in data and analytics.

Analytics and data analysis isn’t something to be scared of; rather, it is something to embrace. Many critics of DFS say that this data analysis gives people an unfair competitive advantage. It certainly gives them an advantage, no doubt. However, they worked hard to design and implement these successful models. Their data doesn’t make it unwinnable for the average player. It gives them a slight advantage. Imagine someone playing powerball. The data people’s advantage is the equivalent of a powerball player knowing that the powerball is going to be somewhere between 1-

10, not the 1-26 of normal players. It's an advantage, but by no means is it a guarantee of winning.
I do have a few minor concerns with the proposed regulations. One proposal would label a player who has entered more than 1000 entries an advanced player. I think that the number needs to be much higher, or needs to be tied to a specific dollar amount. There are tournaments on DraftKings for as low as a quarter. Even an average Joe could get to 1000 entries in the span of a few weeks for about 250 dollars. If the bar is not raised for what constitutes an expert, the designation becomes meaningless, and does not protect new players.
Furthermore, I do take issue with the 1000 dollar per month cap unless it is documented to the DFS company that someone can sustain the loss. There is no need for a private entertainment company to have access to paystubs, salary info, and a person's debts and liabilities. It's a subjective determination at best. People have very different standard of living, and what may be unaffordable for one, may be totally affordable for another based on their income. It opens up a can of worms that is unnecessary. Perhaps a higher limit (maybe 2500?) and a requirement that a person who wants to deposit more send a certified letter to the company requesting it, followed by a mandatory cooling off period? That would help protect people against making impulsive decisions, while still allowing people to have the freedom to choose.
In closing, I commend the AG's office for making very reasonable proposed regulations (for the most part). I support both the state's desire and duty to protect its citizenry, and the individual's right to decide what is best for him or herself. These regulations are a smart middle ground that hopefully other states will use as a model for future regulations. Thank you.

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