

205 CMR 212.00: ADDITIONAL INFORMATION AND COOPERATION

Section

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(1) The Commission, the Bureau or their agents and employees may request additional information and documents from an Applicant including all qualifiers, employee license, vendor license or registration, or any other license or registration required in accordance with M.G.L. c. 23N or 205 CMR throughout the application review process. Failure by the Applicant to timely submit the additional information as requested by the Commission, the Bureau or their agents and employees may be grounds for denial of the application.

(2) All Applicants, licensees, registrants and qualifiers under M.G.L. c. 23N and 205 CMR shall comply with all requests of the Commission, the Bureau and their agents and employees for information and documents as authorized by M.G.L. c. 23N and 205 CMR.

(3) Applicants, licensees, registrants and qualifiers shall respond within ten days or within the time specified in an information request by the Commission, the Bureau and their agents and employees under 212.01(1) and 212.01(2) to said information request.

(4) All Applicants, licensees, registrants and qualifiers under M.G.L. c. 23N shall have a continuing duty to provide all information and documents requested by the Commission, Bureau, and their agents and employees and to cooperate in any investigation or hearing conducted by the Commission, Bureau, and their agents and employees, as authorized by M.G.L. c. 23N.

(5) Once issued a positive determination of suitability, all Sports Wagering Operators and qualifiers shall have a continuing duty to maintain suitability in accordance with 205 CMR 215.00. The Sports Wagering Operator and each qualifier shall have a continuing duty to notify and update the Bureau, in writing, within ten days of the occurrence, unless an alternative filing time is authorized by the executive director, or where applicable, gaining knowledge of the following:

- (a) Any denial, suspension or revocation by a Governmental Authority in any jurisdiction of a Sports Wagering related license, registration, certification, permit or approval held by or applied for by the Sports Wagering Operator or qualifier;
- (b) Any discipline, including a fine or warning, related to Sports Wagering imposed upon the Sports Wagering Operator or qualifier by any Governmental Authority in any jurisdiction;
- (c) Any fine related to Sports Wagering assessed on any Sports Wagering entity owned or operated by the parent to the Sports Wagering Operator by any Governmental Authority in any jurisdiction.
- (d) Any arrest, indictment, charge or criminal conviction of any qualifier in any jurisdiction;
- (e) Any complaints, allegations, or notice of investigation thereof made or known to be contemplated by a Governmental Authority against the Sports Wagering Operator, qualifier, or any Sports Wagering entity owned or operated by the parent to the Sports Wagering Operator, of which the Sports Wagering Operator or qualifier is or should reasonably be aware, involving conduct that if substantiated could reasonably lead to potential revocation or suspension of the license or approval held by the Sports Wagering Operator, qualifier, or Sports Wagering entity owned or operated by the parent to the Sports Wagering Operator, in that jurisdiction and/or imposition of a fine of \$50,000 or greater;
- (f) Any reports, complaints, allegations, or material legal proceedings made, commenced, or known to be contemplated by a Governmental Authority against the Sports Wagering Operator or qualifier, of which the Sports Wagering Operator or qualifier is or should reasonably be aware, involving conduct that if substantiated could reasonably lead to potential criminal charges including, but not limited to, allegations of theft or embezzlement;
- (g) Any information known or that should reasonably be known to the Sports Wagering Operator or qualifier, including by way of receipt of a subpoena, that the Sports Wagering Operator or qualifier is or may be the subject of a criminal investigation by a law enforcement or regulatory agency;

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- (h) Any exclusion or barring of a qualifier from any casino, gaming establishment, or gambling/gaming related entity, or Sports Wagering or Sports Wagering facility in any jurisdiction; however, this shall not include exclusions or barring of a qualifier which stem solely from the interest in, or position they hold with, the Sports Wagering Operator;
- (i) The termination, suspension from employment, or other discipline of any qualifier or Sports Wagering employee licensed in accordance with 205 CMR;
- (j) Any material pending legal proceedings required to be reported in accordance with 17 CFR 229.103 - (Item 103) Legal proceedings: For purposes of 205 CMR 212.01(5)(j) the registrant referred to in 17 CFR 229.103 - (Item 103) shall be both the Sports Wagering Operator and the parent company of the Sports Wagering Operator as determined by the Bureau. Additionally, the Sports Wagering Operator and each qualifier shall provide notice of any pending legal proceeding which includes any allegation of fraudulent conduct by the Sports Wagering Operator or a qualifier, that may reasonably threaten the economic viability of the Sports Wagering Operator or a qualifier, or that alleges a pattern of improper conduct by the Sports Wagering Operator or a qualifier over a sustained period of time;
- (k) Any significant financial event related to a Sports Wagering Operator or entity qualifier. For purposes of 205 CMR 212.01(5)(k), a significant financial event means a merger, acquisition, consolidation, debt restructuring, material change in debt rating by major credit rating agencies (US/International), legal entity change, material ownership change, the assessment of a fine or penalty of \$250,000 or greater by the SEC or international equivalent, restatement of previously issued financial statement(s), late filing of financial statement(s) with the SEC or international equivalent, US or international equivalent bankruptcy petition, default of financial debt covenants and receivership, disposal of a material business segment or asset, or adverse action(s) taken by the IRS;
- (l) Issuance of an "Adverse" or "Qualified" audit opinion, or the international equivalent, by an independent accountant to the Sports Wagering Operator or qualifier;
- (m) A change in accounting firm engaged to perform attestation and/or assurance services for the Sports Wagering Operator or qualifier; and
- (n) Issuance of a delisting notice from a United States or international stock exchange relative to the Sports Wagering Operator or qualifier.

(6) If the Commission determines that an Applicant, licensee, registrant, or qualifier has knowingly withheld information, knowingly failed to provide information or documents requested by the Commission, Bureau, or their agents and employees, knowingly provided materially false or misleading information to the Commission, the Bureau or their agents and employees, or knowingly failed to cooperate with any investigation or hearing conducted by the Commission, Bureau, or their agents and employees, the Commission may, with respect to such Person:

- (a) Find that Person ineligible to hold a license or registration or be qualified in connection with a license;
- (b) Suspend the relevant license, registration or qualification; or
- (c) Revoke the relevant license, registration or qualification.

#### REGULATORY AUTHORITY

205 CMR 212.00: M.G.L. c. 23N, § 4.