

The Virginia Lottery

In the Matter of RSI, VA LLC

Docket No. 2024-05-02

SETTLEMENT AGREEMENT

Pursuant to Article 2 of Chapter 40 of Title 58.1 of the Code of Virginia (“Va. Code”), § 58.1-4030, *et seq.* (“Sports Betting Law”), and Virginia Administrative Code 11VAC5-70-120H, the Executive Director (“Director”) of the Virginia Lottery (“Lottery”) and RSI, VA LLC (“Rush Street Interactive” or “RSI”), wish to resolve this matter without a formal administrative hearing. Accordingly, the parties recite the following facts and make the following agreements:

BACKGROUND

The Director and Lottery staff, through regulations adopted by the Virginia Lottery Board (“Board”), regulate the operation of Virginia’s legal sports betting program, and are responsible for authorizing qualified persons to offer legal sports betting within the Commonwealth of Virginia and for ensuring that the operation of sports betting platforms is conducted legally. Va. Code §§ 58.1-4007, 58.1-4031; 11VAC5-70.

If a permit holder or licensee violates a provision of the Sports Betting Law, a regulation promulgated by the Board, or a directive of the Lottery or the Director, the Director is authorized to, after a hearing, take action against the permit holder or licensee that may include suspension or revocation of the sports betting permit or license and levying a civil penalty for each violation. Va. Code § 58.1-4035; 11VAC5-70-120B. The

Director may impose these sanctions on a permit holder for violations committed by the permit holder's principals, suppliers, vendors, or employees. 11VAC5-70-120D. The Director may also determine that is in the best interest of the Commonwealth of Virginia to reach an agreed-upon settlement with a permit holder to resolve a violation. 11VAC5-70-120H.

On January 27, 2021, the Director issued a sports betting permit to RSI, VA LLC d/b/a BetRivers. RSI immediately began accepting wagers in Virginia.

In October 2023, RSI self-reported that it had accepted wagers totaling less than \$10,000 after the results of the sporting event were known and self-reported in February 2024 that it had accepted a single \$5 wager on a Virginia college team. Lottery regulation 11VAC5-70-270.L, requires that a sports betting platform "prevent past posting of wagers and the voiding and cancellations of wagers after the outcome of an event is known." Acceptance of wager on Virginia college teams is a violation of § 58.1-4093.A.3 of the Code of Virginia. In addition to the above, RSI submitted its January 2024 tax payment several days after its due date.

In two memoranda dated May 13, 2024, the Lottery informed RSI of the Lottery's belief that these facts constituted alleged violations of the Sports Betting Law and the Lottery's related regulations and that these actions were sanctionable. The Lottery specified the violations for which the Director is proposing a settlement amount. RSI has taken corrective measures to ensure future compliance with the Sports Betting Law and its related regulations.

The parties agree to the following terms and conditions as a means of resolving the captioned alleged violations.

TERMS AND CONDITIONS

1. This Settlement Agreement is being entered into as a means of settling the alleged violations and avoiding the potential expense and inconvenience of a formal hearing.
2. There has not been a formal finding as to the merits of the allegations. This Settlement Agreement does not constitute an allegation, an admission, or a denial by either party that a violation of law or regulation has occurred.
3. Upon execution of this Settlement Agreement by both parties and no later than 10 days after, RSI shall remit payment of \$5,500 to the Lottery for deposit into the Commonwealth's General Fund.
4. Upon receipt of payment from RSI, the Director will close these matters.
5. RSI will continue to take appropriate measures to ensure future compliance with the Sports Betting Law and its related regulations.
6. If RSI violates a term of this Settlement Agreement, the Director may impose a sanction or penalty on RSI for violating the Agreement or for the underlying violations, or both.
7. By entering into this Settlement Agreement, RSI waives all rights to administrative or judicial review of these alleged violations pursuant to 11VAC5-70-120H.
8. This Settlement Agreement extends only to those alleged violations that were referenced in the Lottery's discussions with RSI. If the Lottery

subsequently discovers additional facts of a material and substantial nature involving any of those incidents, and said facts constitute additional alleged violations, the Lottery may pursue such additional alleged violations. RSI may dispute such additional alleged violations.

9. This Settlement Agreement constitutes the entire agreement between the parties.


No prior or subsequent understandings, agreements, or representations, oral or written,

provisions of this Settlement Agreement.

10. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by the parties.

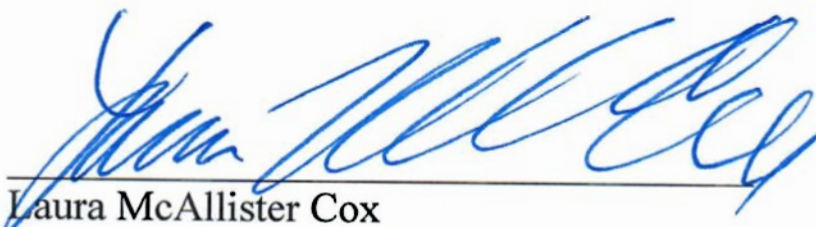
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement as set forth below:

Date: 6/17/2024



Khalid R. Jones
Executive Director
Virginia Lottery

Date: 5/21/2024



Laura McAllister Cox
Chief Compliance Officer
Rush Street Interactive