

The Virginia Lottery

In the Matter of SuperBook Sports

Docket No. 2024-06-01

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 SuperBook Sports (“SuperBook”), 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.

Superbook is licensed as a sports betting supplier operating on behalf of and pursuant to the authority granted to sports betting permit holder Play Live Virginia, LLC. In September 2023, the Director issued Play Live Virginia a permit and Superbook a license to operate a sports betting platform in the Commonwealth. SuperBook's platform began accepting wagers shortly thereafter.

In March 2024, the Lottery discovered that SuperBook had accepted a single \$70 unauthorized parlay wager on Virginia college teams in violation of § 58.1-4093.A.3 of the Code of Virginia and two wagers totaling \$75 on unauthorized sporting events in violation of 11VAC5-70-170.B and 11VAC5-70-170.F. In a memorandum dated May 13, 2024, the Lottery informed SuperBook 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. SuperBook 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, SuperBook shall remit payment of shall remit payment of \$250 to the Lottery for deposit into the Commonwealth's General Fund.
 4. Upon receipt of payment from SuperBook, the Director will close these matters.
 5. SuperBook will continue to take appropriate measures to ensure future compliance with the Sports Betting Law and its related regulations.
 6. If SuperBook violates a term of this Settlement Agreement, the Director may impose a sanction or penalty on SuperBook for violating the Agreement or for the underlying violations, or both.
 7. By entering into this Settlement Agreement, SuperBook 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 SuperBook. 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. SuperBook 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, that are not specified or referenced within this document will be valid 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: June 17, 2024



Khalid R. Jones
Executive Director
Virginia Lottery

Date: June 17, 2024



Mark Starr
General Counsel and VP of Compliance
Superbook Sports