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**Rules of**  
**Department of Public Safety**  
**Division 45—Missouri Gaming Commission**  
**Chapter 40—Fantasy Sports Contests**

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**Title 11—DEPARTMENT OF  
PUBLIC SAFETY**

**Division 45—Missouri Gaming  
Commission**

**Chapter 40—Fantasy Sports Contests**

**11 CSR 45-40.010 Definitions**

*PURPOSE: This rule provides definitions for terms used relating to Fantasy Sports Contests (FSCs).*

(1) Authorized internet website—an internet website or any platform operated by a licensed operator.

(2) Entry fee—anything of value including, but not limited to, contest credit, free entry to a paid contest, cash, or a cash equivalent, that a fantasy sports contest operator collects in order to participate in a fantasy sports contest.

(3) Fantasy sports contest (FSC)—any fantasy or simulated game or contest with an entry fee, conducted on an internet website or any platform, in which:

(A) The value of all prizes and awards offered to the winning participants is established and made known in advance of the contest;

(B) All winning outcomes reflect in part the relative knowledge and skill of the participants and are determined predominantly by the accumulated statistical results of the performance of individuals, including athletes in the case of sports events; and

(C) No winnings outcomes are based on the score, point spread, or any performance of any single actual team or combination of teams or solely on any single performance of an individual athlete or player in any single actual event.

(4) Fantasy sports contest operator (FSCO)—any person or entity that offers FSCs for a prize.

(5) Highly experienced player— a person who has either:

(A) Entered more than one thousand (1,000) contests offered by a single FSCO; or

(B) Won more than three (3) fantasy sports prizes of one thousand dollars (\$1,000) or more.

(6) Key person—an officer, director, trustee, or principal salaried executive staff officer.

(7) Licensed operator—an FSCO licensed pursuant to section 313.910, RSMo, to offer FSCs for play on an authorized internet website in Missouri.

(8) Net revenue—for all FSCs, the amount equal to the total entry fees collected from all participants entering such FSCs less winnings paid to participants in the contests, multiplied by the resident percentage.

(9) Officer—the president, vice-president, treasurer, secretary, and other officer identified in an entity's bylaws or incorporation documents, a member or manager of a limited liability company, a sole proprietor, or a partner.

(10) Principal salaried executive staff officers—means the president, any vice president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy making function, or any other person who performs similar policy making functions for the FSCO. Executive officers of subsidiaries may be deemed executive officers of the FSCO if they perform such policy making functions for the FSCO.

(11) Prize—anything of value including, but not limited to, cash or a cash equivalent, contest credits, merchandise, or admission to another contest in which a prize may be awarded.

(12) Resident percentage—for all fantasy sports contests, the percentage, rounded to nearest one-tenth of one percent (.1%), of the total entry fees collected from Missouri residents divided by the total entry fees collected from all players, regardless of the players' location, of the fantasy sports contests.

*AUTHORITY: sections 313.950 and 313.955, RSMo 2016. \* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.950, RSMo 2016 and 313.955, RSMo 2016.*

**11 CSR 45-40.020 Application for Fantasy Sports Contest Operator License**

*PURPOSE: This rule provides requirements for becoming licensed as a fantasy sports contest operator (FSCO).*

*PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no*

*more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here. The Fantasy Sports Contest Operator Application and the FSCO Personal Disclosure Form may also be accessed at <http://www.mgc.dps.mo.gov>.*

(1) A fantasy sports contest operator (FSCO) license is a license granted by the Missouri Gaming Commission (commission) to allow a person or entity to offer fantasy sports contests (FSCs) for play by Missouri residents in accordance with the Missouri Fantasy Sports Consumer Protection Act (The Act).

(2) Application for licensure shall be made on the Fantasy Sports Contest Operator Application (application), which the commission adopts and incorporates by reference herein, as published by the Missouri Gaming Commission, 3417 Knipp Dr., PO Box 1847, Jefferson City, MO 65102, and which may be accessed at <http://www.mgc.dps.mo.gov>. The application does not incorporate any subsequent amendments or additions as adopted by the commission on December 7, 2016.

(3) The applicant shall be responsible for ensuring the FSCO Personal Disclosure Form is completed by those key persons, employees, or other individuals requested by the commission. The requested FSCO Personal Disclosure Forms and the required fingerprint sets shall be submitted within thirty (30) days of the commission's request. The commission adopts and incorporates by reference herein, the FSCO Personal Disclosure Form, as published by the Missouri Gaming Commission, 3417 Knipp Dr., PO Box 1847, Jefferson City, MO 65102, and which may be accessed at <http://www.mgc.dps.mo.gov>. The FSCO Personal Disclosure Form does not incorporate any subsequent amendments or additions as adopted by the commission on December 7, 2016.

(4) The applicant shall be responsible for keeping the application current at all times. The applicant shall notify the commission in writing within ten (10) days of any changes to any response in the application, and this responsibility shall continue throughout any period during which an application is being considered by the commission. All updates to applications must be submitted by exhibit so that each affected exhibit is resubmitted with the updated information and with the date of resubmission. If any application update is not made in this manner, the commission may deem the update ineffective.

(5) The commission may require an affidavit,



signed on behalf of the applicant or licensee, to be submitted as an addendum to the Application, regarding matters related to the applicant or licensee or the proposed operation, including, but not limited to, the involvement of any individual in the proposed or licensed operations of the applicant or licensee.

(6) No license shall be issued to an applicant until the applicant has provided all of the required forms and requested documents pursuant to this rule.

(7) The FSCO license expires one (1) year after the date of issuance. The licensed FSCO shall submit the renewal application at least four (4) months prior to the expiration date of the FSCO license.

*AUTHORITY: sections 313.910, 313.925, 313.935, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.910, RSMo 2016; 313.925, RSMo 2016; 313.935, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*

**11 CSR 45-40.030 Commission Approval of Procedures**

*PURPOSE: This rule establishes the process for approval of fantasy sports contest operators' procedures.*

(1) Prior to operating in Missouri, each applicant for a Fantasy Sports Contest Operator (FSCO) License shall submit procedures to the commission that—

(A) Prevent unauthorized withdrawals from a registered player's account by the licensed operator or others;

(B) Make clear that funds in a registered player's account are not the property of the licensed operator and are not available to the licensed operator's creditors;

(C) Segregate player funds from operational funds;

(D) Maintain a reserve in the form of cash or cash equivalents in the amount of the deposits made to the accounts of fantasy sports contest players for the benefit and protection of the funds held in such accounts;

(E) Ensure any prize won by a registered player from participating in a fantasy sports contest is deposited into the registered player's account within forty-eight (48) hours of winning the prize;

(F) Ensure registered players can withdraw the funds maintained in their individual accounts, whether such accounts are open or

closed, within five (5) business days of the request being made, unless the licensed operator believes in good faith that the registered player engaged in either fraudulent conduct or other conduct that would put the licensed operator in violation of sections 313.900 to 313.955, RSMo, in which case the licensed operator may decline to honor the request for withdrawal for a reasonable investigatory period until its investigation is resolved if it provides notice of the nature of the investigation to the registered player. For the purposes of this provision, a request for withdrawal will be considered honored if it is processed by the licensed operator but delayed by a payment processor, credit card issuer, or by the custodian of a financial account;

(G) Allow a registered player to permanently close their account at any time for any reason; and

(H) Offer registered players access to their play history and account details.

(2) Each applicant shall submit the written description of its procedures and all supporting documents designed to satisfy the requirements of section (1) of this rule to the commission with the initial application, unless otherwise directed by the commission.

(3) The commission shall review each submission required by section (2) of this rule and Chapter 313, RSMo, and shall determine whether it conforms to the requirements of section (1) of this rule and whether the procedures submitted satisfy the requirements. If the commission finds any insufficiencies, they shall be specified in writing to the licensee, who shall make appropriate alterations. No FSCO license shall be issued unless and until the procedures are approved by the commission.

(4) Once approved, no licensed operator shall alter its procedures unless and until the change is approved by the commission.

(5) Each licensed operator shall submit to the commission any change to the approved procedures no less than fifteen (15) days prior to the planned implementation date of the change. The proposed change to the procedures shall be approved or disapproved by the commission. Upon approval, the change may be implemented. If the change is disapproved, the licensed operator shall not implement the change.

(6) If at any time the commission determines that a licensed operator's procedures are inadequate or do not comply with the requirements of this chapter or Chapter 313, RSMo, the commission shall notify the licensed operator in writing. Within fifteen (15) days after receiving the notification, the licensed

operator shall amend its procedures accordingly and shall submit a copy of the procedures, as amended, and a description of any other remedial measures taken.

(7) If a licensed operator plans to disseminate the List of Disassociated Persons (DAP List), the operator shall submit to the commission a plan for the dissemination of the information regarding persons placed on the DAP List, as well as persons who have been removed from the DAP List. The plan shall be designed to safeguard, as best as is reasonably possible, the confidentiality of the information but shall include dissemination to at least the personnel responsible for removing a person on the DAP List from all individually targeted advertising or marketing. Licensed operators may not disclose the name of, or any information about, a person who has been placed on or removed from the DAP List to anyone other than employees and agents of the licensed operator whose duties and functions require access to the information. The plan must be approved by the commission prior to disseminating the information. All information disclosed to any licensed operator regarding anyone placed on or removed from the DAP List shall be deemed a closed record; however, the information may be disclosed as authorized by the individual seeking placement on the DAP List, by law, and through the provisions contained in 11 CSR 45-17.

*AUTHORITY: sections 313.915, 313.920, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.915, RSMo 2016; 313.920, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*

**11 CSR 45-40.040 Fantasy Sports Contest Operator Responsibilities**

*PURPOSE: This rule establishes the commission's access to information, the applicant's duty to disclose changes in information, and the licensed operator's duty to report and prevent misconduct. This rule is designed to assure that the commission receives timely information that may impact on an applicant's or licensee's suitability.*

(1) All licensed operators shall provide all information requested by the commission. Access to this information shall be immediate and copies of the information shall be delivered within seven (7) days, or less if the commission so orders.



(2) All licensed operators of and applicants for fantasy sports contest operator (FSCO) licenses issued by the commission shall have a continuing duty to disclose in writing, within ten (10) calendar days for an applicant and thirty (30) calendar days for a licensee, any material change in the information provided in the application forms and requested materials submitted to the commission. Any change in information that is not material must be disclosed to the commission during the licensee's next subsequent application for license renewal.

(3) The duty to disclose changes in information shall continue throughout any application period or period of licensure granted by the commission. This duty shall be in addition to any other reporting requirements.

(4) For the purposes of this rule, "material change" shall mean any change in personal identification or residence information, such as name, address, and phone number; information required in section 313.945, RSMo; or other information that might affect an applicant or licensed operator's suitability to hold an FSCO license, including, but not limited to, significant changes in financial condition, legally defaulting on a debt owed to the state of Missouri, arrests, convictions, guilty pleas, disciplinary actions, or license denial, suspension, or revocation in other jurisdiction(s).

(5) Licensed operators shall promptly report to the commission any facts which the licensed operator has reasonable grounds to believe indicate a violation of law or commission rule committed by licensed operators, their key persons, or their employees, including, without limitation, the performance of licensed activities different from those permitted under their license.

(6) In addition to all other reporting requirements, FSCO license applicants and licensed operators shall notify the commission within fifteen (15) days after receiving notification that any of the following persons has received a subpoena or is the target of, has been disciplined by, or has been charged in connection with an investigation by a regulatory, administrative, or prosecutorial agency of a violation of a rule, regulation, or statute relating to licensed gambling, fantasy sports contests, Securities and Exchange Commission (SEC) regulations, or criminal offenses, to include any illegal, corrupt, or fraudulent act, practice, or conduct in connection with any fantasy sports contest in Missouri or any other state, a felony, a crime of moral turpitude, or any criminal offense involving dishonesty or breach of trust (an "offense" does not include

infractions, traffic violations, or parking violations, except for driving while revoked/suspended, alcohol/drug-related traffic violations, and leaving the scene of an accident):

- (A) The applicant or licensed operator;
- (B) The applicant's or licensed operator's parent corporation;
- (C) Any subsidiary of the applicant's or licensed operator's parent corporation;
- (D) The applicant's or licensed operator's key persons or employees;
- (E) Any key person of the applicant's or licensed operator's parent corporation; or
- (F) Any key person of any subsidiary of the applicant's or licensed operator's parent corporation.

*AUTHORITY: sections 313.910, 313.915, 313.925, 313.930, 313.935, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.910, RSMo 2016; 313.915, RSMo 2016; 313.925, RSMo 2016; 313.930, RSMo 2016; 313.935, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*

#### **11 CSR 45-40.050 Operational Requirements for Fantasy Sports Contest Operators**

*PURPOSE: This rule provides operational requirements for fantasy sports contest operators (FSCOs).*

(1) Each licensed operator shall maintain on file with the commission the following:

(A) A current set of procedures for a registered player to report complaints to the licensed operator regarding whether his or her account has been misallocated, compromised, or otherwise mishandled, and a procedure for the licensed operator to respond to those complaints;

(B) A current detailed description of the security standards utilized to prevent access to fantasy sports contests (FSC) by a person whose location and age have not been verified in accordance with section 313.940, RSMo;

(C) A detailed description of measures used to determine the true identity, date of birth, and address of each player seeking to open an account;

(D) A detailed description of the measures taken and procedures implemented to clearly and conspicuously publish and facilitate parental control procedures to allow parents or guardians to exclude minors from access to any FSC;

(E) A detailed description of the standards and procedures used to monitor FSC to detect

the use of unauthorized scripts and restrict players found to have used such scripts from further FSC;

(F) A detailed description of its procedures and measures taken to clearly and conspicuously identify highly experienced players in FSC by a symbol attached to a player's username, or by other easily visible means, on the licensed operator's authorized internet website; and

(G) A detailed description of its online self-exclusion process.

(2) The information required by section (1) and all supplemental documents shall be submitted with the initial application and within fifteen (15) days of any subsequent revision.

(3) Upon request, each licensed operator shall provide the commission with a current and accurate list of Missouri residents who have submitted the operator's online self-exclusion form, which the licensed operator developed pursuant to section 313.920, RSMo.

(4) Each licensed operator shall take commercially and technologically reasonable measures to comply with the provisions of sections 313.915 and 313.920, RSMo, regarding the verification of each FSC player's true identity, date of birth, and address, including, but not limited to, independent verification of age using information obtained from independent sources outside of the player seeking to open an account. Third party services may be used to verify the age of a player. Each licensed operator shall use such information, at a minimum, to prevent underage individuals from establishing accounts, to verify state of residence, and to prevent players from establishing more than one (1) account or username or playing anonymously.

(5) Upon discovery of a registered account held by a minor, the FSCO shall promptly refund any money held in a minor's account, whether or not the minor has engaged in or attempted to engage in game play. A FSCO may refuse to award a prize to a minor upon a good-faith determination, following reasonable investigation, that the minor misrepresented his or her age in order to enter the FSC, provided, however, that such prize must then be awarded to another participant in the contest who would have won the prize had the minor not participated.

(6) Prior to conducting any individually targeted advertising or marketing, but not more than once a week, the licensed operator shall do the following:

(A) Download the current List of Disassociated Persons (DAP List) and the MGC



Excluded Persons List from the designated MGC server;

(B) For email marketing campaigns, compare the email addresses from the marketing list to the DAP List and the MGC Excluded Persons List and remove anyone whose email address is found to be on either List (DAP or Excluded);

(C) For direct mail marketing campaigns to non-registered players, search and remove from the marketing list any person who has the same name and address of any person found to be on either List (DAP or Excluded); and

(D) For direct mail marketing campaigns to registered players, search and remove from the marketing list any player who has the same date of birth, first or last name, and address of an individual on either List (DAP or Excluded).

(7) If a licensed operator ceases offering fantasy sports contests in Missouri, the licensed operator shall notify the commission of the date of cessation. Notice shall be provided within ten (10) days of the cessation.

*AUTHORITY: sections 313.915, 313.920, 313.925, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.915, RSMo 2016; 313.920, RSMo 2016; 313.925, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*

**11 CSR 45-40.060 Cash Reserve and Segregated Account Requirements**

*PURPOSE: This rule addresses the minimum cash reserve and segregated account requirements and the required procedures and documentation for those reserves and segregated accounts.*

(1) The licensed operator shall maintain in the form of cash or cash equivalents the amount of the deposits made to the accounts of Missouri fantasy sports contest players for the benefit and protection of the funds held in such accounts. For purposes of this rule cash equivalents are investments with an original maturity of three (3) months or less.

(2) Funds held in player accounts of Missouri residents shall be protected as set forth herein. A fantasy sports operator shall maintain a reserve in the form of cash, cash equivalents, or a combination thereof to protect player funds in one (1) of the following ways:

(A) Cash Reserve.

1. The amount of the reserve shall be

equal to, at a minimum, the sum of all registered players' funds held in player accounts of Missouri residents.

2. The reserve agreements must reasonably protect the reserve against claims of the operator's creditors other than the authorized players for whose benefit and protection the reserve is established, and must provide the following:

A. The reserve shall be established and held in trust for the benefit and protection of authorized players to the extent the licensed operator holds money in player accounts for players;

B. The reserve must not be released, in whole or in part, except upon written instruction or approval of the commission. The reserve must be available within ninety (90) days of written demand or written instruction. If the reserve is released to the commission, the commission may interplead the funds in the circuit court of Cole County for distribution to the authorized players for whose protection and benefit the account was established and to the other such persons as the court determines are entitled thereto, or shall take such other steps as necessary to effect the proper distribution of the funds, or may do both;

C. The licensed operator may receive income accruing on the reserve, without obtaining permission from the commission; and

D. The licensed operator has no interest or title to the reserve.

3. The reserve must be held or issued by a federally insured financial institution and must be established pursuant to a written agreement between the licensed operator and the financial institution.

4. The proposed reserve arrangement is not effective for purposes of complying with section 313.930.3(4), RSMo, until the commission's written approval has been obtained.

5. The reserve arrangement agreements may be amended only with the prior written approval of the commission; and

(B) Special purpose segregated account with a separate corporate entity.

1. A fantasy sports contest operator may establish a special purpose segregated account that is maintained and controlled by a properly constituted corporate entity that is not the fantasy sports contest operator and whose governing board includes one (1) or more corporate directors who are independent of the fantasy sports contest operator and of any corporation related to or controlled by the fantasy sports contest operator.

2. The special purpose segregated account with a separate corporate entity must hold, at a minimum, the sum of all authorized player funds held in player accounts of Missouri residents for use in fantasy sports con-

tests.

3. The special purpose segregated account must reasonably protect the funds against claims of the operator's creditors other than the authorized players for whose benefit and protection the special purpose segregated fund is established, and must provide that:

A. The segregated account is established and held for the benefit and protection of authorized players;

B. The fantasy sports contest operator may receive income accruing on the segregated account. However, the fantasy sports contest operator has no interest in or title to the segregated account; and

C. The funds in the segregated account held for the benefit of Missouri residents may only be distributed for the following:

(I) For payment to players upon completion of fantasy sports contests or otherwise for the reconciliation of player accounts;

(II) For income earned on the account, to the fantasy sports contest operator;

(III) To the Missouri Gaming Commission in the event that the fantasy sports operator's license expires, is surrendered, or is otherwise revoked. The Missouri Gaming Commission may interplead the funds in the Cole County Circuit Court for distribution to the authorized players for whose protection and benefit the account was established and to other such persons as the court determines are entitled thereto, or shall take such other steps as necessary to effect the proper distribution of the funds, or may do both; or

(IV) As authorized in writing in advance by any agreement approved by the Missouri Gaming Commission.

4. The corporate entity must require a unanimous vote of all corporate directors to file bankruptcy.

5. The corporate entity must obtain permission from the Missouri Gaming Commission prior to filing bankruptcy or entering into receivership.

6. The corporate entity must have articles of incorporation that prohibit commingling of funds with that of the fantasy sports contest operator except as necessary to reconcile the accounts of players with sums owed by those players to the fantasy sports contest operator.

7. The corporate entity must be restricted from incurring debt other than to fantasy sports players pursuant to the rules that govern their accounts for contests.

8. The corporate entity must be restricted from taking on obligations of the fantasy sports contest operator other than obligations to players pursuant to the rules that govern



their accounts for contests.

9. The corporate entity must be prohibited from dissolving, merging, or consolidating with another company without the written approval of the Missouri Gaming Commission while there are unsatisfied obligations to fantasy sports contest players.

(3) If, at any time, the licensed operator's total available cash and cash equivalent reserve is less than the amount required by section 313.915, RSMo, the licensee shall notify the commission of this deficiency within forty-eight (48) hours.

(4) Each licensed operator shall continuously monitor and maintain a record of all player deposits and its cash reserves to ensure compliance with the cash reserves requirement.

(5) The licensed operator shall provide the commission with documentation of both the amount of deposits in players' accounts and the amount in cash reserves as of the last day of each month by the fifteenth day of the following month.

*AUTHORITY: sections 313.915, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.915, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*

### 11 CSR 45-40.070 Operational Fees

*PURPOSE: This rule addresses the calculation, documentation, and the filing requirement of the annual operation fee to be paid by licensed operators.*

*PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here. The Annual Operation Fee (AOF) report may also be accessed at <http://www.mgc.dps.mo.gov>.*

(1) A licensed operator shall pay an annual operation fee by April 15 of each year in a sum equal to eleven and one-half percent (11.5%) of the licensed operator's net revenue from the previous calendar year. All

revenue collected under this section shall be placed in the gaming proceeds for education fund created under section 313.822, RSMo. If a licensed operator fails to pay the annual operation fee by April 15, the licensed operator shall have its license immediately suspended by the commission until such payment is made.

(2) The applicant or licensed operator shall file an Annual Operation Fee (AOF) report and all required supporting documentation with the commission by January 15 of each year for the previous calendar year. The annual operation fee shall be reported on the AOF report, which the commission adopts and incorporates by reference herein, as published by the Missouri Gaming Commission, 3417 Knipp Dr., PO Box 1847, Jefferson City, MO 65102, and which may be accessed at <http://www.mgc.dps.mo.gov>. The AOF report does not incorporate any subsequent amendments or additions as approved by the Commission on December 7, 2016.

*AUTHORITY: sections 313.910, 313.935, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.910, RSMo 2016; 313.935, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*

### 11 CSR 45-40.090 Records and Record Retention

*PURPOSE: This rule establishes requirements for records and record retention.*

(1) Each licensed operator shall maintain complete, accurate, legible, and permanent records of all transactions pertaining to its revenues, expenses, assets, liabilities, and equity. Records shall be sufficient to adequately reflect total entry fees, entry fees collected from Missouri residents, net revenue, winnings paid, prizes awarded, and other fantasy sports contest transactions which accurately reflect the requirements and restrictions contained in this chapter and in Chapter 313, RSMo.

(2) The licensed operator's accounting records shall be maintained in accordance with generally accepted accounting principles using a double entry system of accounting, with transactions recorded on the accrual basis and supported by detailed, supporting, and subsidiary records.

(3) Unless the commission approves or requires otherwise in writing, each licensed operator shall retain records required by this chapter and Chapter 313, RSMo, for at least five (5) years after they are made.

(4) Each licensed operator shall maintain a record, by date, of the total entry fees received from players residing in the United States, grouped by resident state, and the total entry fees received from players residing outside the United States.

*AUTHORITY: sections 313.910, 313.930, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.910, RSMo 2016; 313.930, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*

### 11 CSR 45-40.100 Audits

*PURPOSE: This rule establishes standards for audits.*

(1) Independent certified public accountants (C.P.A.s), shall conduct annual financial and authorized internet website audit of each licensed operator.

(2) The annual financial and authorized internet website audit shall be conducted in accordance with generally accepted auditing standards as follows:

(A) Audit the licensed operator's annual financial statements in order to report on the fair representation of such amounts. The C.P.A. shall reconcile these audited amounts to similar amounts on the annual financial reports and system reports;

(B) Audit the annual total entry fees, entry fees from Missouri residents, resident percentage calculation, winnings paid, net revenue, and the annual operation fee from the most recently filed Annual Operation Fee report, in order to report on the fair representation of such amounts. The C.P.A. shall reconcile these audited amounts to similar amounts on the annual financial reports and system reports; and

(C) Audit the licensed operator and its authorized internet website for compliance with each requirement set forth in sections 313.900 to 313.955, RSMo, and Chapter 11 CSR 45-40.

(3) The C.P.A. shall prepare an audit report which shall be submitted to the commission by March 1 of each year following the close of the licensed operator's fiscal year. The



report shall contain the C.P.A.'s assessment of the accuracy of the financial statements and the Annual Operation Fee report. In addition, the report shall include the licensed operator's compliance with each requirement set forth in sections 313.900 to 313.955, RSMo, and Chapter 11 CSR 45-40.

*AUTHORITY: sections 313.910, 313.915, 313.940, 313.950, and 313.955, RSMo 2016.\* Emergency rule filed Aug. 29, 2016, effective Sept. 8, 2016, expired March 6, 2017. Original rule filed Aug. 29, 2016, effective March 30, 2017.*

*\*Original authority: 313.910, RSMo 2016; 313.915, RSMo 2016; 313.940, RSMo 2016; 313.950, RSMo 2016; and 313.955, RSMo 2016.*