

**ORDER-145
IN RE SETTLEMENT AGREEMENT**

**RUSH STREET INTERACTIVE, LP
20-RS-02**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

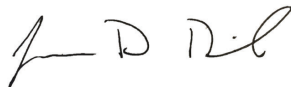
IT IS SO ORDERED THIS THE 23rd DAY OF NOVEMBER, 2020.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
RUSH STREET INTERACTIVE, LP)	20-RS-02
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Rush Street Interactive, LP (“Rush Street”), (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. 68 IAC 2-2-6.1(d) provides that occupational licensing of an employee, independent contractor, agent, or subagent of a supplier licensee shall be governed by 68 IAC 2-3.
2. 68 IAC 2-3-9.2(b)(1) provides the occupational licensee to notify the Commission of separation on a form prescribed or approved by the Commission.
3. 68 IAC 2-3-9.2(c) provides the notification must be submitted to the Commission within fifteen (15) days of the occurrence of the change or action.
4. On March 10, 2020, the Commission’s Gaming Administrator was notified that four (4) employees were separated from Rush Street on August 29, 2019, September 9, 2019, November 14, 2019 and November 22, 2019, respectively. As such, Rush Street failed to timely notify the Commission.
5. On November 13, 2020, Rush Street self-reported that a Software Engineer and an Infrastructure Engineer separated from Rush Street on June 9, 2020 and January 12, 2020, failing to timely notify the Commission.

COUNT II

6. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.

7. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
8. On February 21, 2020, Rush Street was advised to submit a Level 1 license application within thirty (30) days for Rush Street's Director of Compliance.
9. On April 2, 2020, Rush Street's VP of Regulatory Compliance and Legal Counsel advised the Commission that they were unable to currently process any checks until the first week of May, but the Director of Compliance's application was ready to submit. The Commission advised Rush Street of alternate payment options, as well as the ability to upload the application through a shared drive.
10. On April 15, 2020, Rush Street's VP of Regulatory Compliance and Legal Counsel advised that the Level 1 license application was sent, as well as the wire payment.
11. On April 20, 2020, Rush Street's VP of Regulatory Compliance and Legal Counsel sent the confirmation of the wire transfer, as requested on April 15, 2020. At this time, the Commission's Gaming Administrator inquired if the application had been submitted, as it had not been received.
12. On April 22, 2020, Rush Street's Director of Compliance reached out with a list of questions, outlining her inability to get all parts of the application completed. The Commission advised that the application should not be submitted if incomplete, and the Director of Compliance should request an extension.
13. On April 27, 2020, Rush Street's Director of Compliance reached out to request information on how to submit a request for an extension. The Commission advised that Rush Street's VP of Regulatory Compliance and Legal Counsel would need to request it, and she did the same day. Rush Street requested an extension twenty-eight (28) days after the original due date.
14. On May 11, 2020, though not licensed, Rush Street's Director of Compliance submitted a job description submission to the Commission. Rush Street's Director of Compliance also worked with the Commission's Sports Wagering Division.
15. On June 1, 2020, though still not licensed, and with her Level 1 licensing application past due, Rush Street's Director of Compliance began submitting Level 2 licensing applications to the Commission.
16. On June 5, 2020, though still not licensed, and with her Level 1 licensing application past due, Rush Street's Director of Compliance began submitting license renewal submissions to the Commission.

17. On July 22, 2020, the Commission's Director of Background Investigations reached out to Rush Street to request an update on the application status. Rush Street's VP of Regulatory Compliance and Legal Counsel called the Commission's Director of Background Investigations and advised it would be submitted to the Commission on July 24, 2020.
18. On July 25, 2020, Rush Street's Director of Compliance reached out to provide her application through four (4) separate emails, even though she was advised it needed to be sent via secure drive or flashdrive/CD. Due to the tardiness of the application, the Commission accepted the submission; however, Rush Street's Director of Compliance knew at that time her submission was incomplete, and did not mention it to the Commission.
19. On July 28, 2020, Rush Street's Director of Compliance sent her notarized application forms to the Commission that were missing from the July 25, 2020 submission.
20. On July 29, 2020, Rush Street's Director of Compliance reached out to confirm the receipt of her application and notarization pages. The Commission confirmed, but advised that review had not yet been completed and it would reach out if something was needed.
20. On July 31, 2020, the Commission reached out to Rush Street's Director of Compliance and informed her that her application was incomplete.
21. On August 14, 2020, Rush Street's Director of Compliance advised she would be submitting the additional requested documentation that day, with some additional questions.
22. On August 25, 2020, the Commission reached out to Rush Street's Director of Compliance to follow up on the information she stated she would submit on August 14, 2020 since this information had not been received by the Commission. Rush Street's Director of Compliance advised that she would submit it that night.
23. On August 31, 2020, the Commission advised Rush Street's Director of Compliance that she needed to submit the two (2) items missing from her application by September 14, 2020 or be sent before the Compliance Committee for additional failure to respond issues. The same day, Rush Street's Director of Compliance sent in one (1) of the missing documents, and advised she would have the second document by the deadline.
24. On September 14, 2020, the due date, Rush Street's Director of Compliance sent in her Annual Income Statement to the Commission. Rush Street's Director of Compliance was approximately eighty-seven (87) late in submitting her Level 1 license application which was incomplete. It took approximately forty-five (45) more days to receive the complete application.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Rush Street by and through its agents as described herein constitute a breach of IC 4-38, 68 IAC, the Emergency Rules for Sports Wagering, and/or Rush Street’s approved internal control procedures. The Commission and Rush Street hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Rush Street.

Rush Street shall pay to the Commission a total of \$6,500 (\$4,000 for Count I and \$2,500 for Count II) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Rush Street agrees to: 1) promptly remit payment in the amount of \$6,500 and 2) waive all rights to further administrative or judicial review.

This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and Rush Street.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Date

DocuSigned by:
Richard Schwartz
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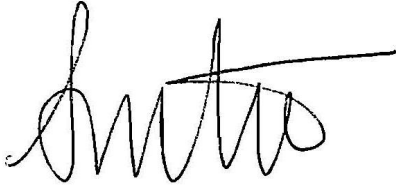
Richard Schwartz, President
Rush Street Interactive, LP

17-Nov-2020

Date

This Agreement shall be binding upon the Commission and Rush Street.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

11/20/20

Date

Richard Schwartz, President
Rush Street Interactive, LP

Date