

**ORDER 2022-97  
IN RE SETTLEMENT AGREEMENT**

**SMARKETS HOLDINGS USA INC.  
d/b/a SBK - INDIANA  
22-SMK-01**

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

**APPROVED**

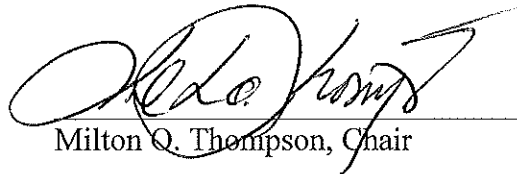
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APPROVES OR DISAPPROVES

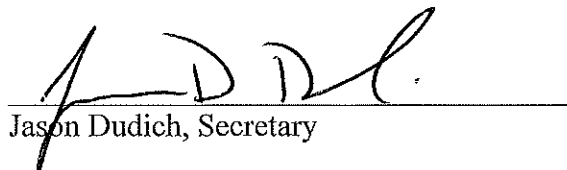
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 30<sup>th</sup> DAY OF JUNE, 2022.**

**THE INDIANA GAMING COMMISSION:**

  
Milton Q. Thompson, Chair

ATTEST:

  
Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:**

**SMARKETS HOLDINGS USA INC.  
d/b/a SBK - INDIANA**

)  
) **SETTLEMENT**  
) **22-SMK-01**  
)

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and Smarkets Holdings USA Inc. d/b/a SBK – Indiana ("Smarkets"), (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 27-2-16(d) provides except as outlined in this section, occupational licensing of an employee, independent contractor, agent or subagent of a sports wagering operator shall be governed by IC 4-33-8 and 68 IAC 2-3.
2. 68 IAC 2-3-9.2(b)(1) requires 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) requires the notification must be submitted to the Commission within fifteen (15) days of the occurrence of the change or action.
4. On January 28, 2022, the Commission received a separation from service form from Smarkets for a Customer Service Agent, showing a separation date of October 11, 2021. The Commission was not notified in a timely manner.

**COUNT II**

5. 68 IAC 27-2-16(a) provides all key persons and substantial owners of a sports wagering operator applicant must obtain a Level 1 occupational license.
6. 68 IAC 27-2-16(d) provides except as outlined in this section, occupational licensing of an employee, independent contractor, agent, or subagent of a sports wagering operator shall be governed by IC 4-33-8 and 68 IAC 2-3.
7. 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.
8. 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.
  9. On June 9, 2021, the Commission issued a directive to Sport Wagering Vendors on Sports Wagering Occupational Licensing. Section V(B)(3) describes the process for newly hired individuals and newly created positions and requires applications must be submitted to the Commission within thirty (30) days of the hire or transfer to position that requires licensure.
  10. On October 21, 2021, the Smarkets' Head of Finance notified the Commission that the Chief Compliance Officer, a level one (1) licensee was resigning.
  11. On October 22, 2021, Smarkets appointed a new individual as a replacement and advised that the individual would be starting his PD-1 application. The due date for the PD-1 application was November 23, 2021.
  12. On January 28, 2022, the Commission received the PD-1 application via secure download site. The Commission subsequently reached out to ask why the PD-1 was late, since an extension was not requested.
  13. On January 31, 2022, the Head of Finance provided that the individual only assumed his Indiana duties in January 2022. The Head of Finance also provided that since the individual was new to employment he was initially focusing on Smarkets' European operations and getting up to speed with internal policies and procedures. During this time, the interim replacement remained in place and was handling compliance duties for Indiana. This does not comply with the Commission's licensing directive.
  14. On February 4, 2022, the Commission processed the PD-1 and found it to be incomplete, as it was missing two required exhibits.
  15. On February 8, 2022, the Commission received one of the two omitted exhibits.
  16. On February 21, 2022, the Commission received the second omitted exhibit.
  17. On February 25, 2022, the Commission approved the PD-1 application and issued the temporary license. The PD-1 application was eighty-seven (87) days late.

## TERMS AND CONDITIONS

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

Smarkets shall pay to the Commission a total of \$2,500 (\$500 for Count I and \$2,000 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, Smarkets agrees to promptly remit payment in the amount of \$2,500 and 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.

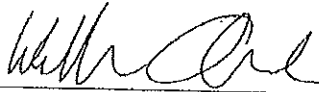
This Agreement shall be binding upon the Commission and Smarkets.

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

  
\_\_\_\_\_  
Greg Small, Executive Director

Indiana Gaming Commission

6/27/2022  
Date

  
\_\_\_\_\_  
William Chambers, Chief Compliance Officer  
Smarkets Holdings USA Inc. d/b/a SBK -  
Indiana

6/22/2022  
Date