



**ATTORNEY GENERAL DETERMINES PAID DAILY FANTASY SPORTS
CONTESTS ARE ILLEGAL GAMBLING**

Cease and Desist Letters Sent to DraftKings and FanDuel

(MONTGOMERY) – Alabama Attorney General Luther Strange today announced that he has issued cease and desist letters to DraftKings and FanDuel after reviewing Alabama’s gambling statutes and determining that paid daily fantasy sports contests constitute illegal gambling. DraftKings and FanDuel have until May 1, 2016, to cease offering paid daily fantasy sports contests in Alabama.

“As Attorney General, it is my duty to uphold Alabama law, including the laws against illegal gambling,” Attorney General Strange said. “Daily fantasy sports operators claim that they operate legally under Alabama law. However, paid daily fantasy sports contests are in fact illegal gambling under Alabama law.”

In Alabama, an activity constitutes illegal gambling if a person stakes something of value on a contest of chance, even when skill is involved, in order to win a prize.

In paid daily fantasy sports contests, players create a “fantasy roster” of real-life athletes. Each athlete is awarded points based on his or her performance, and the “owners” of the teams with the highest scoring rosters win cash prizes.

There is, of course, a measure of skill involved in creating a fantasy roster. But in the end, contestants have no control over the performance of the players on their rosters. For example, a player could fall ill before a game, be injured in pre-game warm-ups, or miss a large portion of the game due to injury or equipment failure. All of these factors, and many more, are outside the control of a fantasy sports player. Thus, the results of paid daily fantasy sports contests depend to a large degree on chance. This is the very definition of gambling under Alabama law.

Alabama now joins 11 other states in which paid daily fantasy sports contests have been declared illegal.

