

More than Two-Thirds of Daily Fantasy Sports Players Consider it a Game of Skill, According to Herrick Sports Law Survey Majority Cite an Increased Consumption of Sports Content

as a Result of Their DFS Play

New York, December 4, 2015 – More than two-thirds (68 percent) of daily fantasy sports (DFS) players consider it a game of skill, according to a survey conducted by <u>Herrick</u>, <u>Feinstein LLP's Sports Law Group</u>. The results are based on 1,081 responses to a survey of DFS players in the United States over the Thanksgiving holiday, November 25-28, 2015.

While the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA) exempted fantasy sports from the federal prohibition of online gambling as "games of skill," states such as New York, Massachusetts and Nevada are pursuing their own enforcement of the industry.

"The luck versus skill debate was a huge topic of conversation at many Thanksgiving tables last week," said Herrick partner and Sports Law Group co-chair <u>Daniel A. Etna</u>. "With the majority of DFS players viewing the games as requiring skill, and several states aggressively pursuing their own regulations, the situation cries out for uniform nationwide regulation."

Etna added, "DFS companies have created thousands of jobs and attracted hundreds of millions of dollars in investment, with much of that investment flowing back in the form of advertising contracts, sponsorships and partnerships with pro leagues and teams. If piecemeal state regulation becomes the norm, the DFS industry — a growth story — will be in a delicate position."

The survey also found that the majority (55 percent) of DFS players consume more sports content as a result of their involvement in daily fantasy leagues. Specifically, twenty-two percent reported a significant increase in sports media consumption, and 33 percent reported a slight increase. Thirty-nine percent of DFS players cited no change to their sports media consumption, and less than 6 percent said their consumption decreased.

"We found that DFS creates much more fan engagement, via interaction with sports websites, going to games and watching more sports on TV," Etna said. "That added fan engagement is particularly valuable to leagues in their quest to build the value of their media rights, and sports media outlets that face intense competition, such as ESPN, which earlier this week announced the loss of seven million subscribers over the past two years."

<u>Methodology</u>

The Herrick Sports Law Group survey was based on 1,081 online responses of daily fantasy sports players in the United States. Responses were collected November 25-28, 2015.

About Herrick's Sports Law Group:

Herrick's Sports Law Group, which is nationally ranked for excellence by *Chambers USA*, offers clients the benefit of a complete roster of seasoned attorneys. Our team includes more than 20 attorneys, experienced in sports-related corporate, tax and real estate

matters, debt and equity financing, project development, government relations, intellectual property, litigation and bankruptcy matters.

Our roster of clients includes world-class leagues and teams, owners and executives, athletes, sports agencies, investors, rights owners and holders, licensors and licensees, sponsors, advertisers, event promoters and technology providers.

Many of the industry's transformative concepts – including regional sports broadcasting, pay-per-view telecasts and premium stadium experiences – were brought to life by Herrick clients, who relied on our guidance from idea to execution.

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