

24 NCAC 06B .0206 WRITTEN DESIGNATION AGREEMENT

(a) In order to qualify for a Sports Wagering Operator License, the Applicant shall enter into and maintain a Written Designation Agreement with a Persons or Persons enumerated under G.S. 18C-905(a).

(b) The Applicant or Sports Wagering Operator shall submit an executed copy of the Written Designation Agreement with its application for licensure or renewal as a Sports Wagering Operator.

- (1) All related and ancillary agreements between and among the signatory parties and their respective Affiliates shall be considered part of the Written Designation Agreement, regardless of how such agreements are denominated.
- (2) Failure to include all related and ancillary agreements between the parties and their Affiliates with the application for licensure or renewal may be grounds for summary denial of the application or renewal application.
- (3) A letter of intent to enter into a Written Designation Agreement is not a substitute for an executed Written Designation Agreement.

(c) The Written Designation Agreement shall meet the following minimum requirements:

- (1) The agreement shall be executed by duly authorized Individuals.
- (2) The agreement shall state a clear contract term length, with any option to renew being contingent on the renewal of the Sports Wagering Operator's License.
- (3) The agreement shall be governed by North Carolina law, with express consent of the parties to submit to the jurisdiction of the North Carolina court system to resolve any disputes that are not otherwise addressed through agreed-upon alternative dispute resolution methods such as arbitration or mediation.
- (4) The agreement shall require any place of public accommodation be operated solely by the Licensed Sports Wagering Operator, in accordance with G.S. 18C-905(c) and 18C-926.
- (5) The agreement shall not authorize the non-operator party to the Written Designation Agreement to engage in any regulated activity requiring a License under the Act unless it independently obtains a License and only engages in activities authorized by such License.
- (6) The agreement shall be terminated if the Licensed Sports Wagering Operator has its License revoked or the non-operator party loses its authority to enter a Written Designation Agreement under G.S. 18C-905.
- (7) The agreement shall require that the non-operator party's employees be prohibited from Sports Wagering in accordance with G.S. 18C-902(i)(6) or (7), as applicable, and receive appropriate and applicable training about Persons prohibited from engaging in sports Wagering.
- (8) The agreement shall be marked "confidential."

(d) The Commission may deny an application for a Sports Wagering Operator License or suspend or revoke a Sports Wagering Operator License if at any time it finds that the Written Designation Agreement would be disadvantageous to the interests of the State of North Carolina. A Written Designation Agreement may, without limitation, be considered disadvantageous to the interests of the State if:

- (1) the Commission determines that the Written Designation Agreement would cause a violation of any of the applicable considerations set forth in the Act, Commission Rules, or State, federal, or local law;
- (2) the Written Designation Agreement fails to meet one or more of the requirements in Paragraph (c) of this Rule; or
- (3) the parties to the Written Designation Agreement fail to fulfill one or more of the requirements in Paragraph (c) of this Rule.

*History Note: Authority G.S. 18C-114(a)(14);
Previously adopted as Rule 2B-006;
Eff. January 8, 2024;
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