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FOX BET



CARISSA COZE
JENNER & BLOCK LLP



ADAM REISS
FOX CORP.

CORPORATE, MEDIA & ENTERTAINMENT

In-house and outside counsel team up to launch new venture that tackles sports betting

Legal betting on sports became possible in 2018 when the U.S. Supreme Court struck down the law that had banned the practice nationwide. The Professional and Amateur Sports Protection Act of 1992 conflicted with the Tenth Amendment's protection of states' rights, the justices ruled 6-3.

The decision in *Murphy v. National Collegiate Athletic Association* opened the door for Fox Sports to forge a partnership last year with The Stars Group

Inc., a Toronto, Canada-based gambling company, to launch a pair of digital products under the Fox Bet umbrella. In a path-breaking deal, Fox Sports Super 6, a nationwide free-to-play game would award cash prizes to players who correctly predict the outcome of games, and Fox Bet would give customers in states with regulated betting the chance to place real money wagers on a wide range of sporting events.

Crafting the complex new venture were Carissa Coze, a Jenner & Block

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Jenner & Block LLP
Adam Reiss
Fox Corp.

LLP partner focused on mergers and acquisitions, joint ventures and strategic partnerships and investments for media and technology companies; and Adam Reiss, an executive vice president and associate general counsel at Fox.

On the team that put together the deal were Jenner & Block's special counsel, David Sussman of New York; partner Gianni Servodidio of New York; and associates Ariel Cho of Chicago and Remi Jaffré of New York. Paul Hastings LLP partner Behnam Dayanim of Washington, D.C., assisted.

"We think sports betting is among the next big things," Reiss said. He and Coze have collaborated on major deals for more than a decade, including on the development of the collegiate sports-focused Big Ten Network in 2007. "There's a lot of harmony between what Fox Sports does as its core business—provide the best live sports in the country—and sports betting. Fox Bet will strongly complement and expand the enjoyment of sports fans in consuming live sports."

The regulated betting part of the deal has launched in New Jersey and Pennsylvania, two states that have legalized sports betting. Despite the sporting world's current pause due to the

coronavirus pandemic, Coze and Reiss are optimistic about the endeavor's long-term prospects.

"When things shut down, the story was in the opening chapters of what legalized sports betting in America is going to look like," Reiss said. "Now, of course, we'll have to see what the ecosystem will look like as viewers remain hungry for sports activity."

Coze and Reiss spoke in late April as media outlets reported that sports leagues face large but not insurmountable obstacles to getting games back on television, with tentative planning in the works to hold baseball games with no fans in the stands and similar proposals for other sports.

"Adam and I have worked together for a really long time," Coze said. "So it was natural for us to partner on the negotiations to put Fox Bet together. We tried in the deal to account for regulatory uncertainty and marketplace uncertainty as we get off the ground."

Their work wasn't finished when Fox Bet was announced in May 2019. In October, the parent company of daily fantasy sports and sports betting company FanDuel, Flutter Entertainment PLC, announced an agreement to acquire The Stars Group. Coze and Reiss again represented Fox to negotiate arrangements to align Flutter's, TSG's, Fox's and the strategic investors in FanDuel's economic interests for the sports betting business.

Reiss said he's a big sports fan. "I was born and raised in New Jersey, so my teams are the New York Giants, the Mets and the Knicks. And I went to UCLA, so for college sports, it's the Bruins."

"I'm a glutton for punishment too," Coze said. "I like the Red Sox and the Raiders and the Cal Bears."

With respect to Fox Bet, Coze said, "These were really interesting deals to work on, given the complexity and the novelty. That's what makes it fun to be a lawyer."

— John Roemer