Gambling and the Law®
Casinos at the
End of the World
(Hot Legal Issues
in Commercial Gaming)

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Prepared for International Masters of Gaming Law Spring Conference

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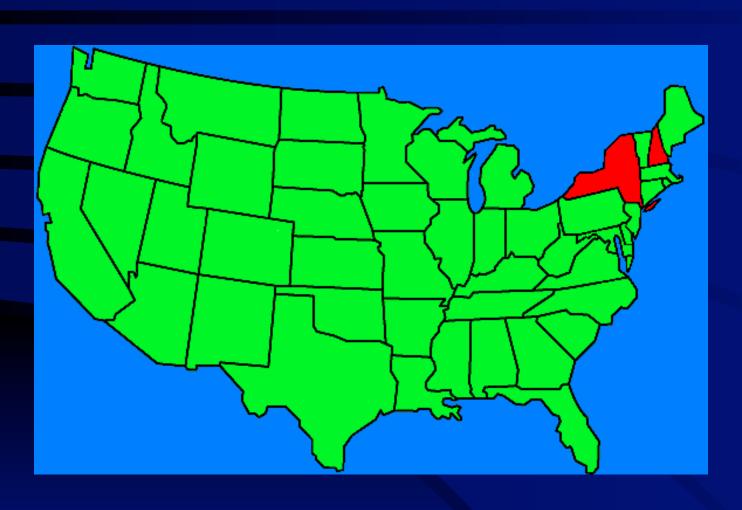
STATE LOTTERIES: 1961



STATE LOTTERIES: 1963 - New Hampshire



STATE LOTTERIES: 1966 - New York



STATE LOTTERIES: 1969 - New Jersey



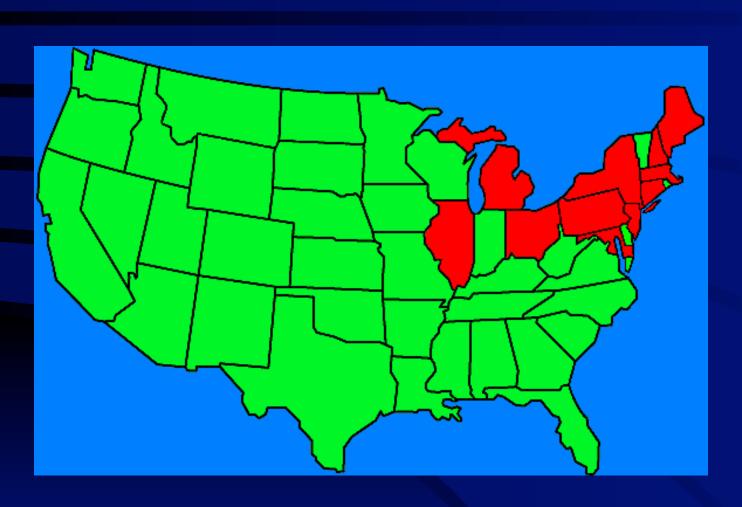
STATE LOTTERIES: 1971 – Connecticut, Massachusetts, Pennsylvania



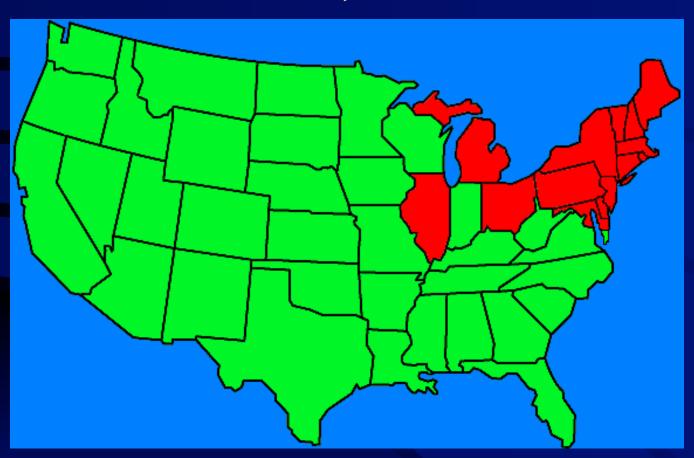
1972 - Michigan, Maryland



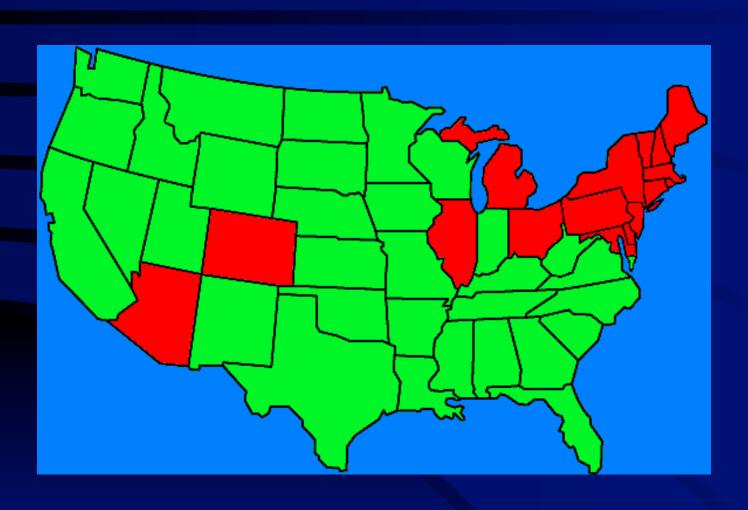
1973 - Ohio, Illinois, Maine



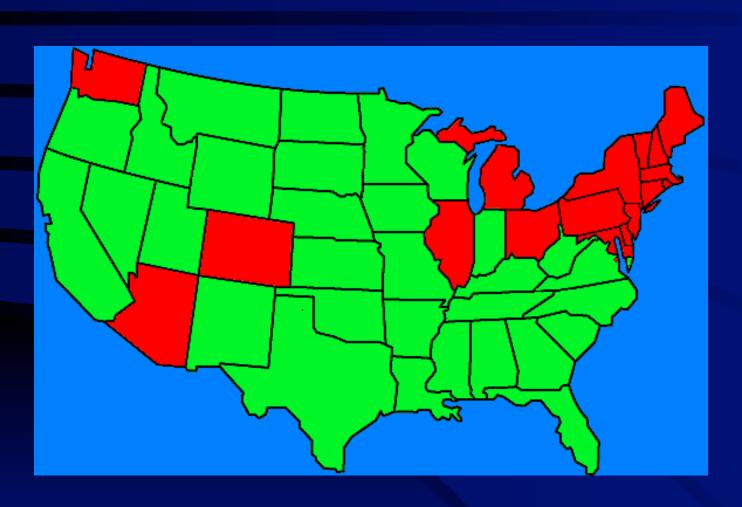
1974-76 - Rhode Island, Delaware, Vermont



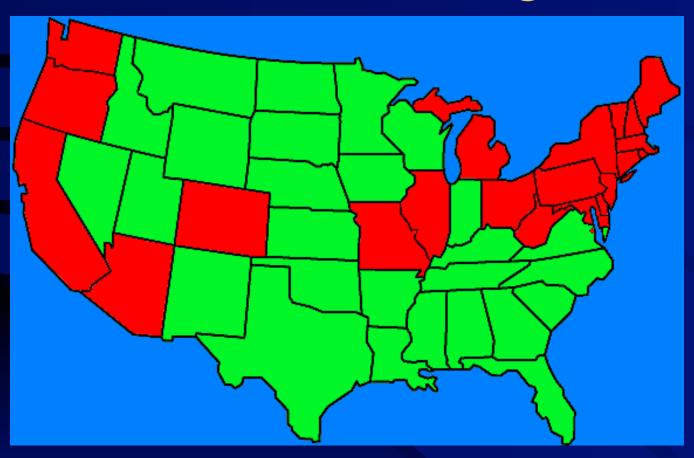
1980 - Arizona, Colorado



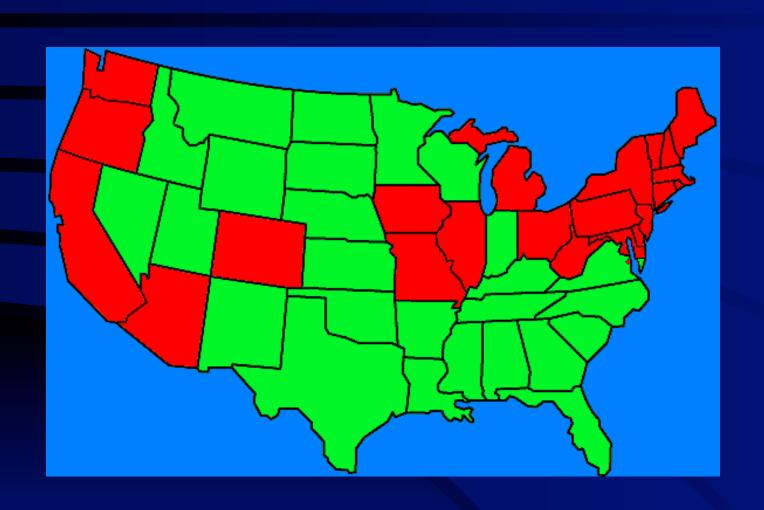
1981-82 - D.C., Washington



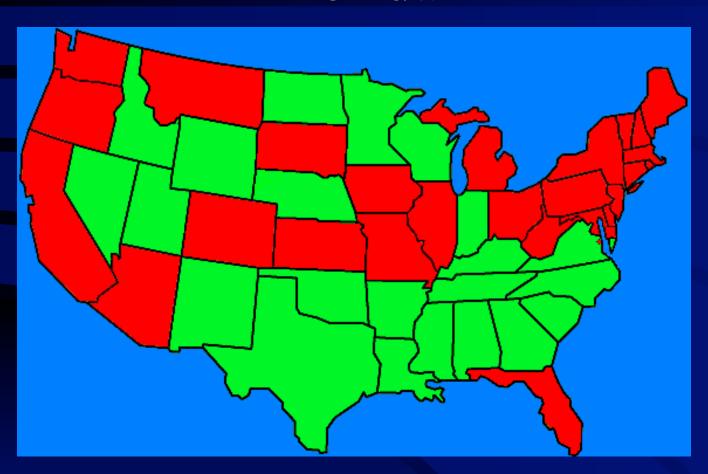
1984 - Oregon, California, Missouri, West Virginia



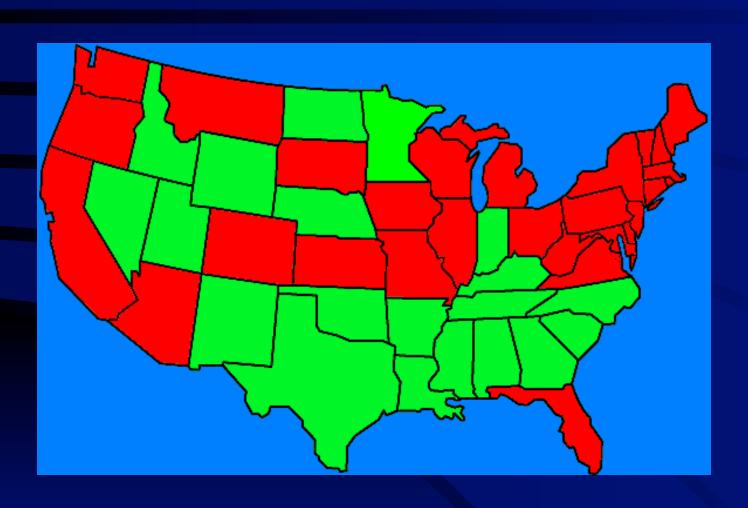
1985 - Iowa



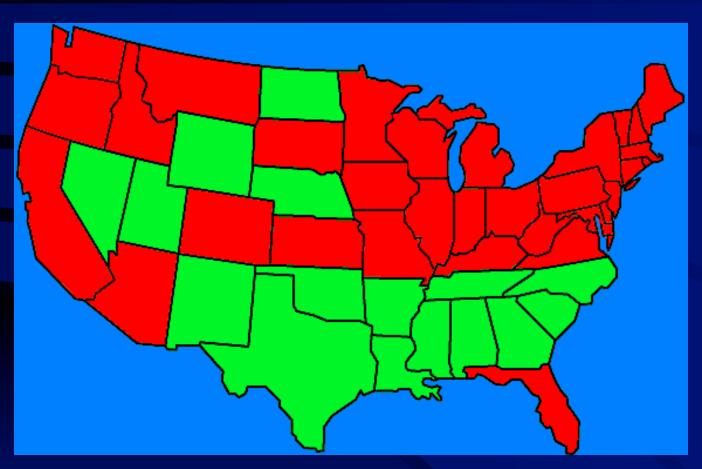
1986 - South Dakota, Kansas, Florida



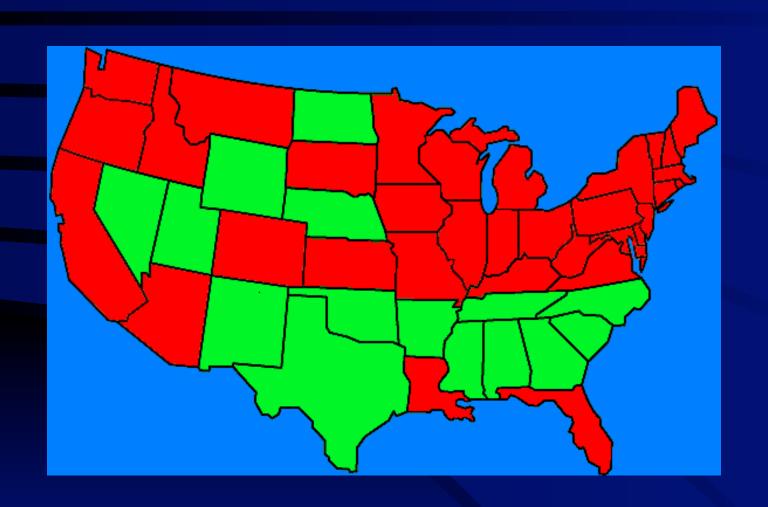
1987 - Wisconsin, Virginia



1988 - Kentucky, Idaho, Indiana, Minnesota



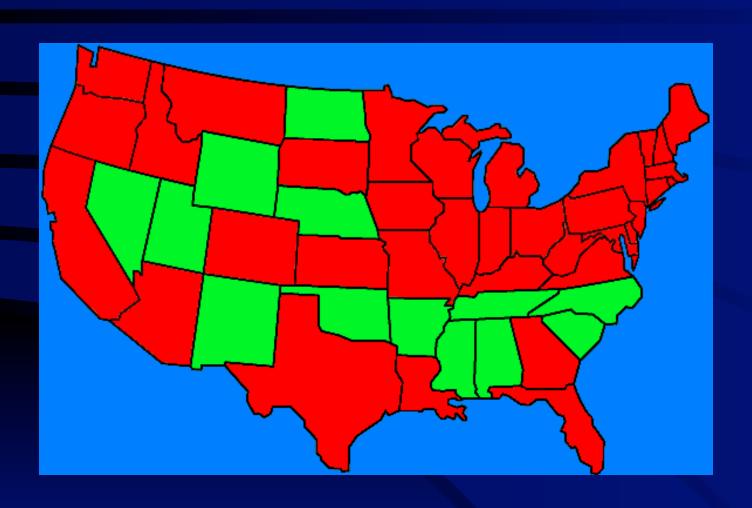
1990 - Louisiana



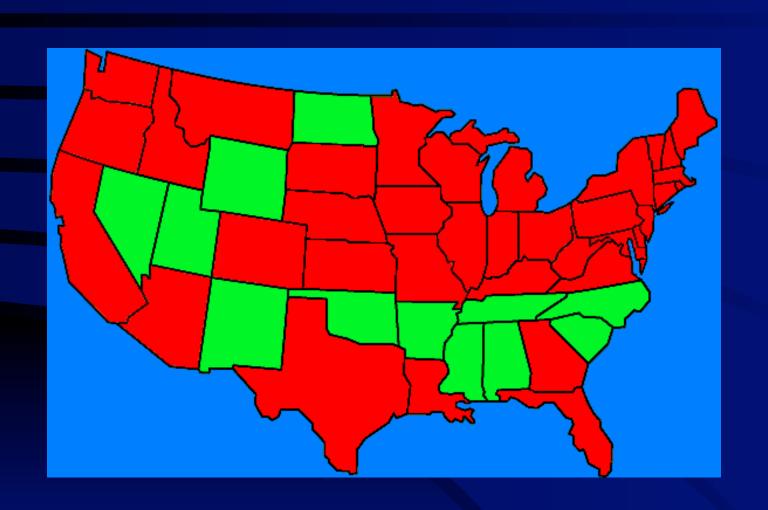
1991 - Texas



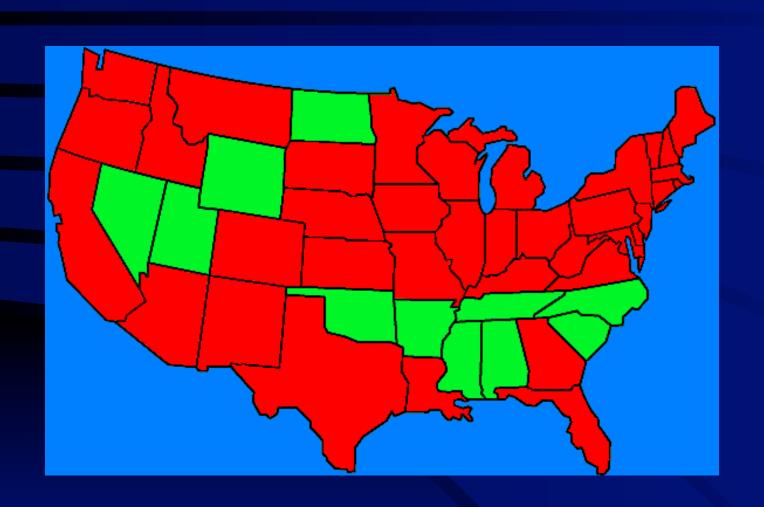
1992 - Georgia



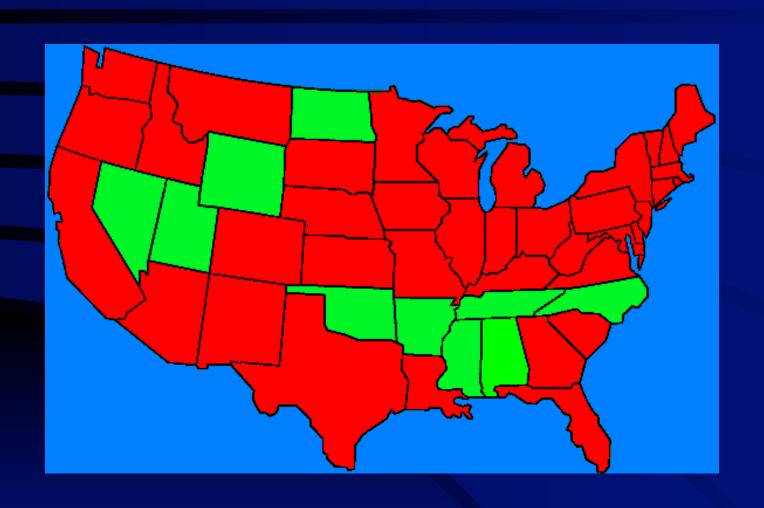
1993 - Nebraska



1995 - New Mexico



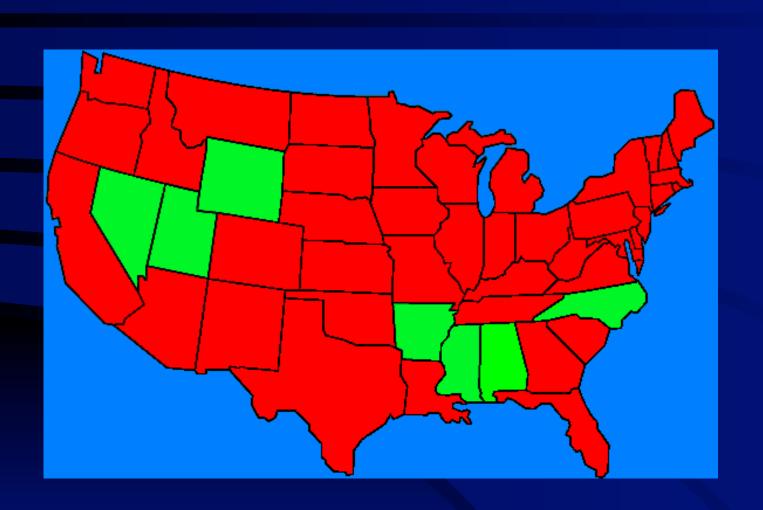
Nov. 2000 - South Carolina



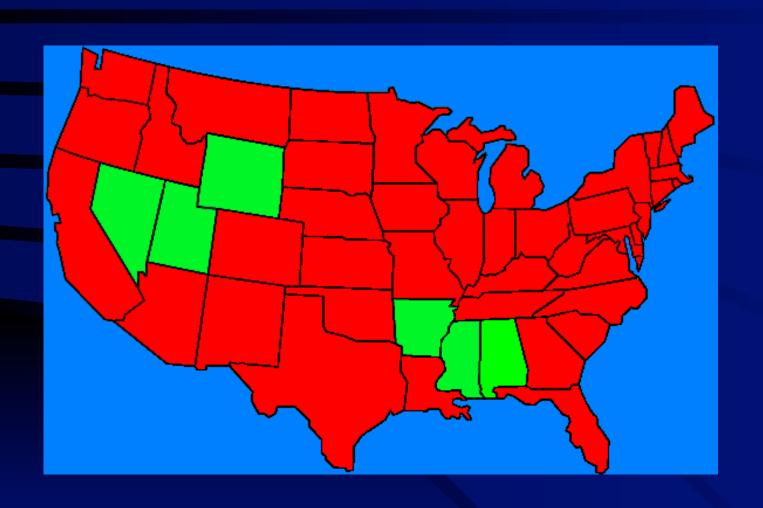
Nov. 2002 - North Dakota, Tennessee



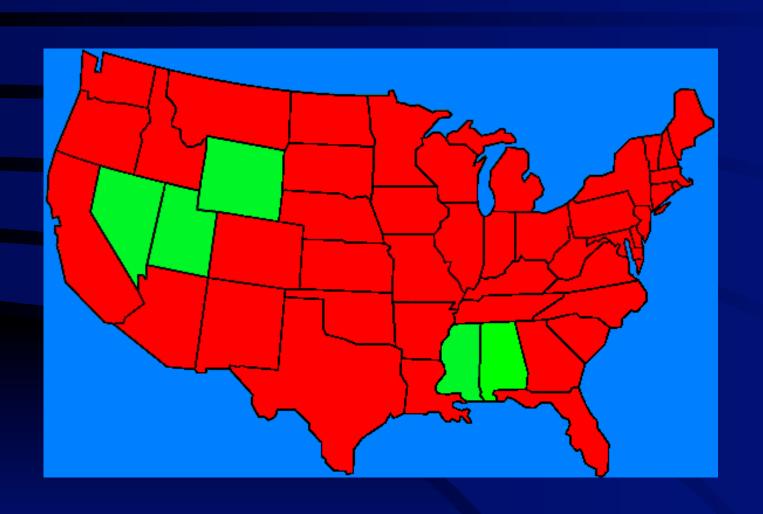
Nov. 2004 - Oklahoma



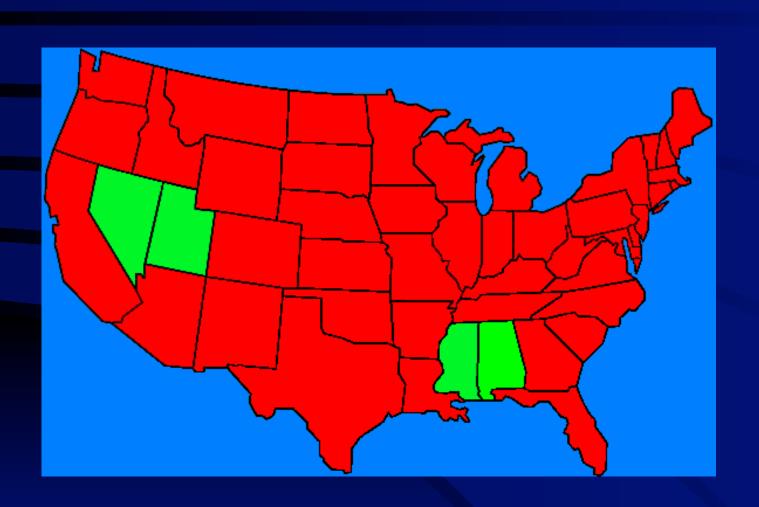
Nov. 2005 – North Carolina



Nov. 2008 – Arkansas



2013 – Wyoming



Gambling & Technology

- 18th Century First Wave Provincial problem: Paper lotteries, table game casino
- 19th Century Second Wave National problem: Mails, telegraph, telephone, resorts
- 20th Century Third Wave Mechanical, computers; but still (mostly) face to face
- 21st Century Fourth Wave International problem: Remote wagering

Most Important Hot Issue

- Bad News: Millennials hate slot machines and never carry cash
- Good News: Older patrons are living longer
- Can a business built around 19th
 Century games evolve to attract 21st
 Century players?

Hot Issues – Land Based Gaming

- Gaming as true amenity, casinos lounges with ipads for slots, sports bets
- Need to come up with new games
- Problem for regulators
- GLI monopoly
- Smoking, resort fees, using criminal justice system as debt collector, players suing casinos

More Technology Hot Issues

- Social Casino Games No purchase necessary, skill contests violate state laws
- Internet cafes
- Software Mistakes \$150 million class action against Oregon Lottery

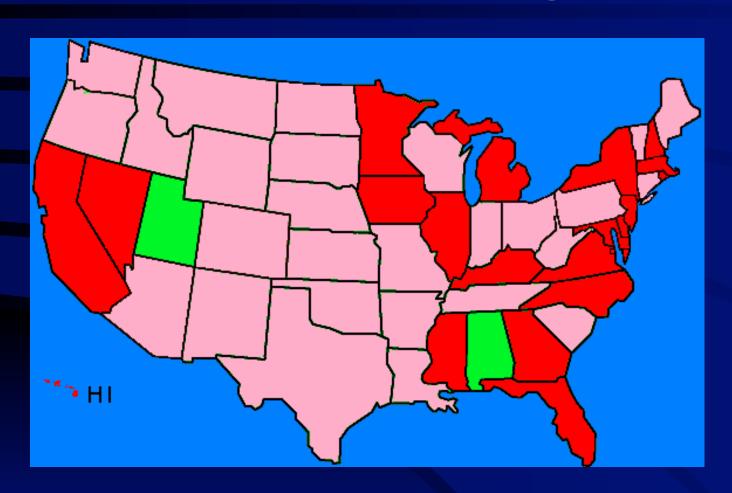
Hot Issue – Cross-Border Betting

- European model is now the standard for the world
- Original UK model did not work
- Licensing, taxation POC?
- Monopoly operators will lose their monopolies everywhere

Legalizing Online Gaming: Where the Action is 2011-15



Legalizing Online Gaming: Where the Action *Might* be



Predictions

- Legalization depends on politics:
 Government looking for revenue, Big local operators want to keep monopoly
- Nevada model does not work too expensive, payment processing fails
- Technology is already making Internet casino games passé

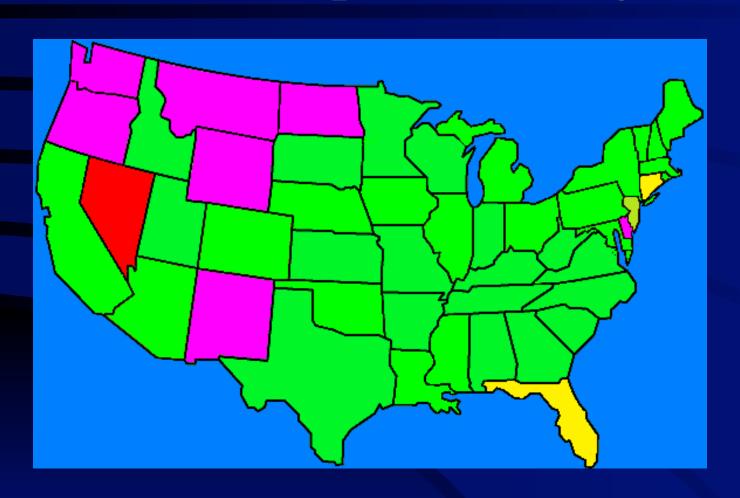
Predictions

- Congress will continue to do nothing
- Compacts among smaller states
 - Probably are constitutional
 - If not, there are ways to get around
- Bad actors laws
 - Can be constitutional
 - Depend entirely upon \$ and politics

Hot Issue – Sports Betting

- U.S. everything depends on NJ case
- Rest of the world big issue is match fixing
- In-play bets
- Fantasy sports, especially daily

Can Now Legalize Intra-State Internet Sports Betting



More Hot Issues – Impact of Macau & China

- Numbers are so large that they warp the rest of the world, especially US & Australian companies, Asian expansion
- Baccarat in Las Vegas
- US/China Commission hearings
- FinCEN

More Hot Issues – Impact of Macau & China

- Collectability of gambling debts in PRC
- Proxy betting
- Internet gambling in PRC
- Renewal of Concessions
- Conspiracy theories

Expansion Around the World

- Big prizes: Japan, Brazil, Venezuela, India, China
- Smaller prizes: Mexico, Thailand, Taiwan, Korea, Cuba
- State lotteries Internet explosion, instant tickets, games like Candy Crush

Predictions

- More international lotteries
 - North America? Latin America (All Spanish or Portuguese languages)?
- Spread of Class 2 and 2.5 machines
- Remote wagering on ships, planes

2-Ushuaia - Fin del Mundo The end of the world-out of the

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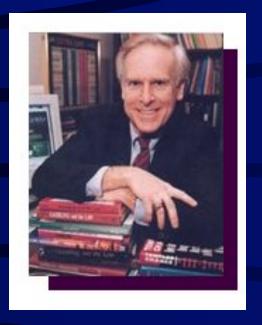












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