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**Sent:** Monday, July 29, 2013 11:16 AM  
**To:** keith@cataniaconsulting.com  
**Subject:** Catania Gaming Consultants Newsletter



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Catania Gaming Consultants

Vol.6, Number 6  
(2013)

**Welcome to**

**another edition of the Catania Gaming Consultants Newsletter.**

**This month highlights gaming issues as close as New Jersey and as far away as Manila.**

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**Investigation Threatens Okada's Manila Casino Project**

Japanese gaming tycoon Kazuo Okada is in trouble with the law, threatening his \$2.3 billion project developing a Manila casino with Universal Entertainment Corp. Philippine

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investigators found evidence that the billionaire used companies that were not qualified to develop his Manila casino.

Philippine prosecutors also investigated Universal Entertainment on suspicion that it paid \$40 million in bribes to build a casino. Investigators did not find sufficient evidence to recommend charges of bribery, but the prosecutor general promised further investigation.

The panel of investigators recommended criminal charges against Okada and over 20 other individuals, including lawyers. Okada's project was one of four, collectively known as Pagcor Entertainment City, designed to boost tourist traffic in the Philippines and compete with Macau, currently the world's most profitable gaming jurisdiction.

Okada, who amassed his fortune selling machines for Japanese pachinko parlors, won one of four provisional gaming licenses awarded for the Manila casino hub in 2008. Okada was also the biggest shareholder in Wynn Resorts Ltd., but was forced to sell his stake last year.

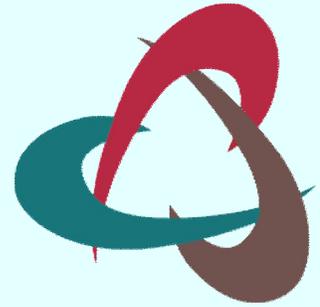
## Once More, With Feeling: Barton Introduces New Federal Online Poker Legislation

Rep. Joe Barton (R-Texas) has introduced a new piece of federal legislation in Congress that would regulate Internet poker at the federal level. Called the "Internet Poker Freedom Act," the legislation would apply only to poker and would create a regulated interstate system that any state could opt out of.

The bill comes only a month after Rep. Peter King (R-New York) introduced a similar piece of legislation called the "Internet Gambling Regulation, Consumer Protection and Enforcement Act of 2013." That bill would open the door to all forms of casino games, not just poker.

Currently, some form of online gaming is legal in Nevada, New Jersey, and Delaware, and several other states are considering similar legislation. Barton said a federal bill is needed to protect players and the integrity of the game from poorly regulated offshore organizations as well as confusing state-by-state differences in regulation.

## Revel's Casino Pitch (and Fine Print) Draws Criticism



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Barton did not immediately release a list of cosponsors, but said he expected to have about two dozen representatives from both sides of the aisle. He also said that he had cleared much of the opposition by Indian tribes that were initially concerned that federal Internet gaming legislation might threaten their sovereignty.

The Chairman of the House Energy and Commerce Committee has not yet committed to hold any hearings on the matter. However, the Senate Subcommittee on Consumer Protection, Product Safety and Insurance held a preliminary hearing on Internet gambling on July 17. During that hearing, though the general tenor was anti-gambling, most Senators appeared to agree that some sort of federal regulation was necessary to protect consumers and ensure that Internet gaming would not turn into an avenue for money laundering or other criminal activity.

The Senate Subcommittee stopped short of making plans to introduce legislation to address the issue, but Senator Harry Reid (D-Nevada), a longtime advocate of Internet gaming legislation, has said he is working on new legislation with fellow Nevada Republican Senator Dean Heller.

## **New Jersey Takes Sports Betting to Federal Appeals Court**

New Jersey has argued its case for legal sports betting before a federal appeals court. Former U.S. Solicitor General Theodore Olson told a three-judge panel in Philadelphia that a 1992 law limiting sports betting to only four US states discriminates against New Jersey and other excluded states. A recent US Supreme Court decision lends some support to that assertion.

Earlier this year, a federal judge sided with the four major professional sports leagues and the NCAA, blocking a sports betting law New Jersey passed that would allow sports betting in Atlantic City's casinos and at the state's four horse tracks. The law was passed by referendum in 2011, when New Jersey residents voted overwhelmingly in favor of bringing sports betting to the state. Many state officials view sports betting as the only way to turn around Atlantic City after steep losses since 2006.

*industry, including governments, casino operators, game manufacturers, software providers, lotteries, payment processors and the horseracing industry.*

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A ruling is not expected for at least three months. Governor Chris Christie has promised that, if the 3rd Circuit Court of Appeals rules against New Jersey, he will take the case to the US Supreme Court.

## **Ultimate Gaming Online Poker Site Passes Regulation**

Ultimate Gaming, the company currently operating Nevada's only legal Internet poker website, has received final approval from the Nevada Gaming Commission to continue offering real money online poker through UltimatePoker.com.

Approval came after gaming regulators conducted a field study to determine whether the website was meeting state regulations covering interactive wagering. Those regulations include protections to insure that underage persons, and those located outside Nevada boundaries, cannot play. The site has dealt more than 9 million online hands since it launched in late April.

## **Revel's Casino Pitch (and Fine Print) Draws Criticism**

Revel, the \$2.4 billion Atlantic City Casino project that recently went bankrupt, attempted a new promotion this summer, seemingly offering to refund all slot losses for the month of July. But the promotion, heavily advertised in New Jersey and neighboring states, is drawing criticism from consumers and consumer law experts who say that the conditions and disclaimers make this a very different deal.

According to the fine print, Revel would provide customers with "free play" slot dollars for losses of at least \$100 during July. These "free play" dollars can be used to win or lose, but they can't be cashed out.

In addition, customers cannot receive their full "refund" in one shot. The casino will give customers the credits in five percent installments over twenty weeks, beginning August 5, but in order to get their full "refund," customers must visit the casino for each of those twenty weeks.

Though Revel did provide these details on its web site (in 7-point type) and flashes them quickly at the end of its TV ads, both federal and state consumer laws say that when the disclosure of qualifying information is necessary to prevent an ad from being deceptive, that information must be presented clearly and obviously so consumers can understand it.

The ads do seem to be working; in early July, Revel reported its first-ever profitable week. It's unclear whether state or federal consumer protection agencies will take action against Revel, but even if the campaign is legal, the limitations may confuse and disappoint many patrons.

***Please feel free to contact us with any licensing and gaming compliance needs. Our law firm, Catania & Ehrlich, is also available for any of your gaming law needs.***

Sincerely,

**Frank Catania, Gary Ehrlich, Toni Cowen, Professor Joe Kelly and Keith Furlong**  
Catania Gaming Consultants

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