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Catania Gaming Consultants

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We hope everyone is enjoying summer.

Welcome to another edition of the Catania Gaming Consultants Newsletter.

Sincerely,

Frank Catania, Gary Ehrlich, Toni Cowan, Professor Joe Kelly & Keith Furlong

New Federal Internet Gambling Bill Introduced by Rep. Peter King (NY); Unforeseen Consequences?

As if we have not had enough of them already, yet another federal Internet gambling bill, the "Internet Gambling Regulation, Consumer Protection and Enforcement Act of

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2013," has been introduced by Rep. Peter King (R-NY).

The new legislation would allow for online gambling in the US, based on the 2011 ruling by the US Department of Justice that online gambling of any type other than sports betting would be legal on the federal level if a state allows it. Following that ruling, states have moved to legalize intrastate Internet gaming on an individual basis, with Delaware, Nevada, and New Jersey having done so already.

The new bill would create a system to license and regulate online gambling at the federal level. It would also grandfather any existing state option that was limited to the boundary lines of the state.

Putting aside the issue of whether this bill has any chance of passage, an approach legalizing all forms of casino gaming - not just poker, as with several previous bills, may have unintended consequences. According to Sen. Harry Reid (D-NV), the new bill proposed by King makes the prospect of a new poker-only bill bleak as the new bill would authorize everything.

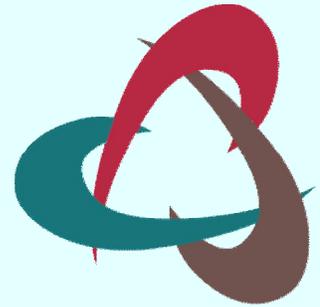
Reid further stated that he does not believe the bill will pass since it is so broad. The broad spectrum will divide the sympathies of lawmakers who are for gaming legislation, and only give those who are opposed more ammunition. Reid stated that the effort is still there for online poker federal legislation, but he is not confident that something will get done.

Casinos Bar Gamblers from Using Google Glass

Fearing that the tiny camera could be used to cheat at card games, casinos and regulators in several states are barring gamblers from wearing Google Glass, the tiny eyeglasses-mounted device capable of shooting photos, filming video and surfing the Internet.

The New Jersey Division of Gaming Enforcement issued has issued a directive ordering Atlantic City's casinos to bar casino patrons from using the device. "If these eyeglasses were worn during a poker game, they could be used to broadcast a patron's hand to a confederate or otherwise be used in a collusive manner," David Rebeck, the Division's Director wrote in a memo to the casinos. The New Jersey casinos must ask anyone wearing the glasses to remove

UK May Require All Online Gaming Operators To Obtain UK License



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The Catania Consulting Group, Inc., doing business as Catania Gaming Consultants (CGC), offers a full service international gaming consultancy. CGC

them, and can kick out any customer who refuses.

That type of use would constitute a crime in New Jersey. But it would be difficult to establish beyond a reasonable doubt that the glasses were actually being used to cheat, Rebeck wrote. For that and other reasons, he decided to ban the glasses on the casino floor and anywhere else gambling is taking place.

"Even if the glasses had not been used for cheating ... their presence at a gaming table would lead to the perception that something untoward could be occurring, thereby undermining public confidence in the integrity of gaming," he wrote in the directive.

In a statement, Google said: "We are thinking very carefully about how we design Glass because new technology always raises new issues." It said its "Glass Explorer" pilot program "will ensure that our users become active participants in shaping the future of this technology."

As a new technology, the glasses are catching the attention of regulators, who are updating their rules to keep pace. Similar bans are in place at casinos in Las Vegas, Pennsylvania, Ohio and Connecticut, among other places.

NJ Regulators Set Deadlines for Internet Gaming Applications

In an effort to keep the process moving and be fair to all parties, NJ gaming regulators have established deadlines for the filing of applications and information by casinos and other companies interested in participating in Internet gaming when it "goes live" later this year.

Every casino that intends to offer Internet gaming must identify its operators and vendors, as well as its plans for housing the primary Internet gaming equipment, by June 30. License applications for prospective vendors must be completed by July 29.

David Rebeck, Director of the NJ Division of Gaming Enforcement, said that casinos that miss the filing deadline can't be assured they will be allowed to start offering Internet gaming on the first day it is permitted.

Judge Refuses To Block Florida Internet

provides a variety of services to all sectors of the gaming industry, including governments, casino operators, game manufacturers, software providers, lotteries, payment processors and the horseracing industry.

Our goal is to provide clients with the information, experience, and contacts necessary to develop, regulate and operate both casinos and ancillary companies. The governments for which CGC has previously provided assistance in drafting gaming regulations and establishing gaming regulatory structures include the following: The Mohawk Territory of Kahnawake, located just outside Montreal; the United States Virgin Islands; Antigua and Barbuda; the Philippines; and the Canadian Provinces of Prince Edward Island and Nova Scotia.

Combined, the partners and associates of CGC listed below have over 75 years of gaming experience.

Cafe Ban

As the saga of Florida Internet cafes continues, a federal judge has refused to block enforcement of Florida's new video gambling law, rejecting arguments by the owners of senior arcades that the measure is unconstitutionally vague and violates the First Amendment rights of their elderly customers.

The Court refused to issue a preliminary injunction sought by the arcade owners, whose arcades - like hundreds of others across the state - shut down last month following the Legislature's enactment of the broad new law banning "casino-style games" outside of legally approved casinos.

"The phrase 'casino-style games' has a common or ordinary meaning that is known to the general population," the Court said, noting that the arcades themselves use the phrase "casino-style gaming" in some of their advertising. The decision also dismissed the argument that, if the law forced the arcades to close, it violated a First Amendment "right of association" of customers to mingle together while playing the games. "If senior citizens desire to associate and play 'casino-style games,' they may still meet at local casinos to do so."

After years of inaction on the issue, the Florida law was passed hurriedly in April after a scandal over political donations by so-called Internet cafes - where computers were set up for gambling - threatened to envelop the Legislature. Lawmakers not only outlawed "casino-style" games, but limited prizes to a value of 75 cents, and made violation a second-degree felony punishable by a maximum 15-year prison sentence.

Does Mark Scheinberg Settlement Put PokerStars Back in Atlantic City?

As announced by the company: "Mark Scheinberg, the CEO of PokerStars, has agreed to forfeit USD \$50 million to the US Government. This forfeiture settles potential claims against Mark's assets based on the allegations contained in the April 15th 2011 US Government complaint against PokerStars. The agreement is not in response to any action that had been brought against Mark and contains no admission of wrongdoing, culpability or guilt on his behalf." Mark Scheinberg is the son of PokerStars founder, Isai Scheinberg.

PokerStars had tried to buy the Atlantic Club, but the casino - formerly the Atlantic City Hilton - ultimately withdrew when delays pushed PokerStars' approval date past an agreed-upon timeline, and a court backed the casino's voiding of the agreement. PokerStars is appealing that decision.

Even if the Atlantic Club deal is dead, other Atlantic City casinos may be available and relatively cheap. However, issues surrounding PokerStars' past activities, and their potential impact on licensure or qualification, still remain.

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,

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