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Catania Gaming Consultants

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Action in NJ: Governor Christie Takes on the US Department of Justice on Sports Betting; Senate Approves Portable Gaming Devices; Internet Gambling Moves Ahead

In a move that surprised almost everyone, Governor Chris Christie announced that he intends to permit casinos and racetracks to accept wagering on professional and college athletics. This would be a violation of the Professional and Amateur Sports Protection Act (PASPA), the 20-year-old law that prohibits sports betting in all but the four states which had some form of it at the time of PASPA's enactment.

The Governor's announcement recognized that there is little likelihood Congress will repeal the law, leaving intervention by the United States Justice Department and a federal court challenge as the only options. However, while the casino industry has long supported sports betting, casinos will likely be reluctant to invest in a sports betting operation as long as so much uncertainty remains. And although their anti-corruption arguments are widely regarded as being both bogus and hypocritical, the organized sports leagues can be expected to oppose any move at wider legalization.

Even if New Jersey is successful in removing the federal ban on sports betting, it is not clear how much additional revenue it will garner. Simply stated, if the prohibition is invalidated, not only New Jersey but every other state - including New Jersey's closest competitors - may also authorize sports betting.

Concurrently, the New Jersey Senate has approved a bill that would allow gamblers to use handheld devices to make bets while on the grounds of casinos. Gamblers would have to establish a mobile

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betting account with the casino, and would then be able to place bets from areas such as a casino's outdoor pool or in lounges or hotel rooms.

Nevada already allows such devices, but does not allow them to be used in hotel rooms or other non-public places where someone underage might be able to use them to gamble unmonitored. While New Jersey's bill doesn't prohibit hotel room use, the state's Gaming Enforcement Division will need to come up with regulations to ensure that mobile gaming devices are kept out of the hands of children.

The Division will also need to verify that the devices won't work beyond the physical boundaries of the casino property. All bets will have to be paid on casino grounds.

A vote in the state Assembly hasn't yet been scheduled, but is expected soon.

Meanwhile, an Assembly committee approved a bill that could make New Jersey the first state to allow Internet betting on casino games such as poker and roulette. The Regulatory Oversight and Gaming Committee voted to send the bill to a vote of the full Assembly.

The question remains whether Internet betting constitutes an expansion of gambling beyond Atlantic City and thus requires a referendum. It is unclear whether the bill will clear both chambers of the Legislature before the session ends for the summer.

Delaware Approves Online Gambling

The Delaware House has approved a bill authorizing online betting and more venues for sports wagering and other gambling. The bill, which now goes to the Senate, also authorizes betting on NFL games in at least 20 more sites other than the casinos.

Administration officials say revenue generated from the expanded gambling opportunities would allow them to eliminate \$4 million in slot machine fees paid by the casinos and cut their annual table game fees from \$6.75 million to \$3 million. In return, the casinos would pledge to spend an amount equal to those cuts on traditional business expenses such as marketing, capital improvements and debt reduction.

Casinos for NYC?

New York governor Andrew Cuomo had proposed in January that Genting Bhd. build a \$4 billion convention center and casino in the borough of Queens, about 40 minutes from Manhattan by subway, as the centerpiece of a job-creation program. The proposed Queens facility would have replaced the Javits Convention Center in Manhattan.

Cuomo has now announced that the plan had failed, and that he's discussing a convention center and casino with other companies. He said he plans a competition in 2013, after the Legislature sends to voters a constitutional amendment that would allow Las Vegas-style casinos in New York.

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

The Governor said he doesn't want politics to enter the gaming expansion plans of New York, and suggested that a commission - not dominated by politicians - should be set up to decide any future sites and projects. Cuomo said he wants projects that are multi-dimensional, including convention space or hotels and casinos. Entering the discussion, New York's Mayor Bloomberg says New York City is big enough to accommodate more than one casino. The best location for a casino, he said, would be "where the population is," as opposed to using the facility to stimulate a neighborhood economy.

Wynn To Expand in Macau

Steve Wynn and Wynn Resorts have announced plans to spend \$4 billion on a second resort in Macau. Wynn is financing the construction and design -- expected to be nearly triple that of the \$1.2 billion Wynn Macau -- using cash and debt.

Dismissing concerns that the global economic downturn and China's slowdown could hurt profits in highly-lucrative Macau, Wynn called Macau one of the "more stable stories at the moment," and stated that while it was unrealistic to continue anticipating previous growth rates, Macau would still be a "wonderful" place to do business.

Station Casinos Owners Launch Online Gaming

Site

The owners of Station Casinos in Las Vegas are launching a free online gaming site, beginning with poker. Fertitta Interactive has announced the launch of Ultimate Poker as the first step in preparing to move between social games, such as those on Facebook, and taking cash bets as the company applies for licenses in states that will eventually legalize online gambling.

Ultimate Poker will launch on Facebook as a free social game that Fertitta hopes will drive an eventual market for real money games. Within weeks, the company will begin marketing its Ultimate Gaming brand through Ultimate Fighting Championship broadcasts.

Singapore Bans More Locals from Casinos

Singapore has acted to bar from its two casinos about 15,000 more citizens and permanent residents, including low-income and unemployed people receiving state welfare aid, in an effort to reduce the social impact of casino gambling in the city-state. The move comes after an official survey showed more instances of heavy gambling among low-income players in 2011 compared with 2008--a finding that prompted government pledges then to do more to reduce gambling among the poor.

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.

Singapore allowed casino gambling in 2005 to increase its attractiveness as a destination and reap more tourism revenues. The island state's first licensed casino resorts--Genting Singapore's Resorts World Sentosa and Las Vegas Sands Corp.'s Marina Bay Sands--opened in early 2010.

Opponents of the casinos cited a potential rise in social problems like organized crime and gambling addiction. To contain the impact, the government imposed various measures. Still, Singapore's gaming market has grown strongly since the two casinos opened, the growth largely driven by foreigners. Some analysts expect the city-state's gross casino gambling revenue to rival or exceed that generated on the Las Vegas Strip this year.

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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