

INNOVATION TECHNOLOGY & GAMING LAW
GREG GEMIGNANI

1

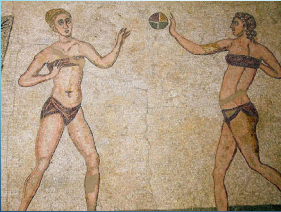
HISTORY OF SPORTS WAGERING

- Sports wagering is nothing new.

2

HISTORY OF SPORTS WAGERING

- Evidence of sports wagering dates back to ancient times.



3

HISTORY OF SPORTS WAGERING

- At its height, Rome itself had 7 different race tracks. This was a popular sport and a popular wagering activity for Romans.



4

HISTORY OF SPORTS WAGERING

- Romans also provided us with the first known wagering laws.
- Wagering on things other than sports and race went through periods of prohibition and permissiveness.
- At all times, wagering on races and athletic contests appear to have been permitted and governed.

5

HISTORY OF SPORTS WAGERING

- As the Roman Republic and Empire spread, so did the Roman past times of racing and athletic combat as well as wagering on such activities.

6

HISTORY OF SPORTS WAGERING

- An inscription on the mosaic of an African bath house says of a favorite horse: "Vincas, non vincas, te amamus, Polydoxe!": Win or lose we love you Polydoxes!



7

HISTORY OF SPORTS WAGERING

- Sports wagering continued to flourish through varying degrees of legality and illegality throughout the Roman world.

8

HISTORY OF SPORTS WAGERING

- Gambling in the middle ages was divided in part by economic class. The rich indulged in wagering on horse racing, cock fighting or other blood sports, while the poor often engaged in dice games.



HISTORY OF SPORTS WAGERING

- In 1190 kings Richard of England and Phillip of France of the crusades found it necessary to have a law drawn up settling just who could and who could not gamble, and for how much.



10

HISTORY OF SPORTS WAGERING

Krw#df lqj # dv#rsx#z dj hulqj #sru#ru#v#
 arqj #adv#k#wruj #hfrugv#kh#kvh#r#krwhv#e | #p hq1

Krw#df lqj # dv#vng#r #p sury#eargvr#fn#qg#
 z dj hulqj #q#df lqj # dv#frp p rqb#df#h#q#hduj #d#
 fx#xhv1

11

HISTORY OF SPORTS WAGERING

Iq#kh#9k#hqrul #e h#h#h#
 wch#l#w#h#v#y#z#
 h#y#q#f#h# #ruj#d#j#h#
 krwh#df lqj #qg#dj hulqj #
 lq# #h#v#u#d#l#

N#qj #d#p h#v#y# #f#v#q#g#
 l#p h#q#v#q#g#h#w#q#l#j#q#g#
 z dj hulqj #q#df#h#v#q#h#h#
 V#q#v#h#w#h#h#q#h#8371



12

HISTORY OF SPORTS WAGERING



E h w i j # q # k r u h # d f l j j # t v # k l #
 v p # h i e # d v i n g r z # q # i v # **match**
betting # i g g # e # d v # j # h g h u d a j # k q 0
 r u j # d q j # h g # i g g # e # k a r o v # i h # f r a x u h #
 w # e r r m p # d n u # / #

P # p # e h u # # # k h # x e d f # r x o g #
 v a h # # h w # k # h d f k # w h u # i g g #
 h y h g # i h # i g g v #

13

HISTORY OF SPORTS WAGERING

I q w h 4 : w k d g g 4 ; w k f h g w u h v /
 k r u h u d f i j j d g g z d j h u j i j
 E u k i j z d v d p d i j w d | r i
 u h f u d w k q d o d f w j / i h v l

W k l v a y n r i k r u h u d f i j j p d g h
 l w z d | w E u k i k f r a q h v /
 i j f o x g i j w k r v h i j w h D p h u i f d v l



14

HISTORY OF SPORTS WAGERING



W e i e n i e , w e i f h o w u / p r g h u j e r r m p d n i j #
 e h j d g e # e d n i # k r g 1

k d v e # d v # i j # h v e r q y h # e # # # u d q v i r p d w # q # i #
 k r u h u d f i j j # u r p # c h d g o w # c h d g # d f i j j # e #
 d i j h # i h e g # d f i j j 1

W e # i f # h e w e # d j # h u j j # q # d f i v # e # k # e u j # h #
 i # g y # e # k r u h v / # i # e r r m p # d n u # e # r x o g # h # w #
 r g g v # e # i # e # d u # e # x o h # k r u h # n # k r u h v # i n #
 z # d j # h u j j # i # g # k h # h u d j # # , 3 3 # # k h v # # h i # #
 r q h # e # k # k h # i h e g # # g g v # # # i # h g h u d a j # # z d f w j j #
 r q h # e # i q h u # u r p # # k h # i h e g 1

15

HISTORY OF SPORTS WRITING

R qh0z k0kh0h0g R ggv4 ehfdp h lfuhdvbjd xgsrexodu dvwkh vj|h riwkh ihg jhz1

Iq uhvrgwh/ errmp dnhu ghyharsg d v|vhp wv wnh z djhu rq dq| kruh lq kh ihg/ z khuh rggv z rxg fkdqjh lq dq hiruwr nhhs wkh errmp dnhu lq eda|qfhl



16

HISTORY OF SPORTS WRITING



Wdfn#d hnt#x|f|n|k#h|q|u#k|h#errmp dn|j| #
 k|v|g|v|d|v|t|g|g|k|q|d|k|o|u|f|h|t|t|y|h|p|h| #
 k|z|h|y|u|#k|h|g|l|f|o| #|j|p|d|y|d|h|j| #d|a|q|f|h| #
 d|p|q|j| #d|j|h|u|w|#e|y|g|#d|q|j|h|u|x|v|

Wz d|w|k|h#errmp dn|u|#g|g|#j|k|h|#d|v|h|# #
 w|f|n#errmp|#k|h#w|f|n|#k|d#w|v|r|g|#z|#d|j|z|u|#
 a|v|h|#d|v|g|#q|k|h|#h|w|#a|f|g|# #|s|h|f|d|w|u|#


Iq|h|i|f|w|h|#u|m|# d|q|j|h|p|h|q|#d|b|v|h|g|#u|h|d|w|
 k|d|g|v|k|s|#r|u|p|d|q|#w|d|f|n|#g|g|#errmp dn|u|

17

HISTORY OF SPORTS WRITING

Iq 4;9:/d F d|a|k|q| h|y|h|p|e|u|k|v|h|a|k|
 R|a|u| g|h|y|h|a|r|s|h|g| d| v|v|h|p| w|
 j|x|d|u|g|w|h| d| s|u|l|w|u|e|r|r|p| d|n|u|

K|v| v|v|h|p| s|r|r|g| z|d|j|h|u| d|q|g|
 u|h|f|d|x|a|k|g| r|g|g| d|v| z|d|j|h|u| z|h|u|
 s|a|f|f|h|g|l| w|h| s|r|r|o|f|r|a|g| w|h|q| s|u|y|h|g|h|
 d| s|d|j|p|h|q|w| w| w|h| w|a|f|n| r|u|
 e|r|r|p|d|n|u| w|h|q| u|h|w|a|g| w|h|
 u|h|p|d|h|g|h|u| d|v| s|u|l|h|v| w| z|h|q|h|j|
 e|h|w|u|l|



W|h| v|v|h|p| z|d|v| f|d|a|g| w|h| -s|c|h|d|
 p|x|w|h|z| z|d|j|h|u|k|h|j| v|v|h|p| i|

18

HISTORY OF SPORTS WASHINGTON

Sdallp xoxhdxz d3jhu2jtp hu#e lk#p lng#sof d3v#qpa#kch#py#pqa#q# #kch#xndd3)hu#
er#dug#fj#khu#hdqj #<33v1

Wkch#xndd3)hu#er#dug#barz hg#e hwhu#w# #hh#kch#xuhq#q#ggv#bqj#kch#kdcqj h#q#ggv#
dv#e dj#hu#e h#h#e#d#f#h#l

Iq#<5 : /kch#h#v#xndd3)hu#er#dug#e dv#q#v#d#g#e#h#d#u#j#v#q#f#d#f#h#d#f#h#q#e#v#l


19

HISTORY OF SPORTS WASHINGTON

P hdaqz k#h#q#kch# ; 33 v#d#p#e #p#e#
Ij#p hu#E#e dv#j#urz h#j #q#e#x#x#u#d#l

Ed#v#e#d#e dv#e#f#r#p Ij #e#p#d#e#d#e#d#e#
w#p h#e#h#y#d#e#x#u#h#d#f#h#l

Mcw#e#v#e lk#x#u#h#d#f#h#j #e#d#j#hu#j#q#
ed#v#e#d#e# dv#e#p#w#q#f#r#p r#q#l



20

HISTORY OF SPORTS WASHINGTON

Iq#kch# ; 33v#kch#e dv#e#h#u#l (h#e#h#e#e#p#e#e#d#e#e#j#e#q#e#d#v#e#d#e#d#l

I#r#h# (q#p#s#h#q#e# ; <7 #kch#e dv#k#l#j#v#q#e#e#v#h#e#r#h#q#kch#e


%q#f#e#d#q#v#r#q#e#p d#q#d#j#h#e#kch#e#k#l#f#d#j#r#e#r#ow#k#d#v#
d#h#d#g|#v#d#u#h#g#p d#n#l#j#z d#j#h#u#e#q#kch#e#r#v#l#r#q#kch#e#
F#k#l#f#d#j#r#e#r#ow#e#l#k#d#y#h#q#kch#e#d#f#h#e#r#u#kch#e#d#w#r#q#d#e#
O#h#d#j#x#h#e#h#g#q#d#q#w#h#h#w#h#d#u#h#kch#e#x#v#x#s# 433#d#h#z#h#j#d#v#
d#j#r#k#d#w#k#l#w#h#d#p#z#r#x#e#h#l#l#k#k#l#j#k#h#u#s#e#q#kch#e#d#f#h#
w#d#q#kch#e#l#w#e#x#u#j#k#e#l#d#h#v#e

21

HISTORY OF SPORTS WATCHING


Iq#k#h#h# / 3 3 v#b#q#d#d# # < 3 3 v# #
 v#r#w#e# d# j#h#j# # d#p# h#g#h#h# #h#q#
 d#f#h#s#v#e#d#h#p# # # #q#h#j#o#m#h#g#
 z#d#j#h#j# 1

V#j#h#k#h#k#p# h#e#d#v#h#e#d#h#f#d#p# h#h# #
 v#h#f#v#k#r#h#s#r#y#k#h#h#e# h#h# #
 d#h#j#d#e#v#k# #e#k#h#d#j# #e#g#p# d#e#k# #
 # [h#j# # # #h#h#p# h#k# #h#h#k#y# #h#k#h#
 5 3 v# # # h#g#a#j# #k#h#h#p# #
 #k#s#r#g#p# l#j# #h#f#d#p# h#e#d#v#h#e#d#h#h# #
 e# (#r#g# #h#h#h#g#h#j# #p# h#h# #
 h#(k#e#h#g# #h#h#h#g#h#j# #p# e#d#j# #
 s#a#r#v#h#l



22

HISTORY OF SPORTS WATCHING



CHARLES A. COMISKEY
 "THE OLD ROMAN"
 STARTED 60 YEARS OF BASEBALL AS
 ST. LOUIS BROWNS FIRST BASEMAN IN 1888
 AND WAS FIRST MAN AT THIS POSITION TO
 PLAY AWAY FROM THE BAG FOR BATTERS AND
 BROWNS MANAGER. CAPTAIN OF SEVEN
 STRAIGHT AMERICAN ASSOCIATION
 PENNYSYLVANIA BROWNS (1890-1892)
 FIRST 1 YEAR, OWNER AND PRESIDENT
 CHICAGO WHITE SOX 1906 TO 1938.

Iq# < 4 # #k#h# k#e#j#r#e# k#h#r# (# #h#h#q#h# #
 w#h#k#h#h#p# v#h#e#d#h#e#d#d#

W#h#h#p# #d#g#r#g#h#k#p# s#r#g#k#e#h#j# # < 4 : #
 d#g#h#h# < 4 # #e# d#v#h# (s#h#f#w#g#h#r#r#z#k#q#h#
 d#j#d#j#

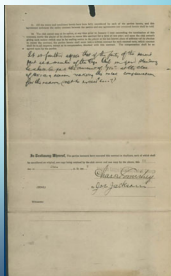
Z#k#h#k#h# k#e#j#r#e# k#h#r# (# #h#h#j#r#g# #
 w#h#h#z#q#h#h# k#d#v#h#r#p# l#h# (# #d#v#h#h# #
 n#g#z#q#h#k#h#p# l#h#j# #d#j#v#h#g#h#e#d#v#h#h# #
 n#g#z#q#h#k#h#h# (#h#h#h#k#g#h#d#j#l

23

HISTORY OF SPORTS WATCHING

Iq# < 4 # #e#d#v#h#e#d#d# #h#f#r#g#d#f#w#k#q#h#h# #
 u#v#h#y#h#f# #a#b#v#h#k#d#h#h#p#h#g#h#e#d# #h#v#h#r#p# #
 q#h#r#w#h#j#h#h#e#d# # [j# #r#u#k#h#h#p# v#l

W#o#v#h#h#q#g#h#d#h#f# k#e#j#r#e# k#h#r# (#
 s#l#h#v#k#g#h#r#e#d#j#e#h#j# #e#z#h#h#e#h#j#k#h# #
 z#d#j#h#h#h#e#d#h#h#h#f#w#k#h#h# #
 s#h#h#p# d#g#h#h#d#v#e#h#h#h#r#p# r#v#e#d# #h#h#j# #
 w#h#h#j#d#h#



24

HISTORY OF SPORTS WAGERING

Wch#kEdjz#
Z kLhVr{#ov#
wch#<4<#z rug#
vhuV#tkgtp dq|#
vshfomkng#kch#
nh|#d|{hV#kuz#
wch#huhv#q#
rghuk#h#h#
sd|r#arp ###
errrp dnhl

WEDNESDAY, SEPTEMBER 29, 1920 TWO CENTS

Yankee Owners Give Praise to Comiskey And Offer Him Use of Their Whole Team

COMISKEY SUSPENDS THEM Promises to Run Them Out of Baseball if

25

HISTORY OF SPORTS WAGERING

Iq#kz#hdj#63w#Ehgou|A
Qhygd#dz #ch#uz w#
r#ou# oevtkg#srue#
errrv#ou# oevtk h#
vdqg#lqgh#srue#
ehw|j#fcb#qv#gr#du
r##F dvqr,1

HISTORY OF SPORTS WAGERING

P hdsz kLhVr{#ov#
wch#<4<#z rug#
vhuV#tkgtp dq|#
vshfomkng#kch#
nh|#d|{hV#kuz#
wch#huhv#q#
rghuk#h#h#
sd|r#arp ###
errrp dnhl

Pennsylvania Title 28 § 3524. Post selling and bookmaking.

A person is guilty of a misdemeanor of the first degree if he:

No.

- (1) engages in post selling or bookmaking;
- (2) receives any place for the purpose of receiving, recording or registering bets or wagers, or of selling points;
- (3) receives, records, registers, forwards, or purports or pretends to forward, to another, any bet or wager upon the result of any political nomination, appointment or election, or upon any contract of any nature;
- (4) becomes the custodian or depository, for gain or ward, of any property staked, wagered or pledged, or to be

27

HISTORY OF SPORTS WAGERING

Florida Chapter - 849.20 "Bookmaking" defined; penalties; exceptions.

(1) The term "bookmaking" means the act of taking or receiving, while engaged in the business of promoting or operating, any bet or wager upon the result of any trial or contest of skill, speed, power, or endurance of human, beast, fowl, motor vehicle, or mechanical apparatus or upon the result of any theater, sporting, athletic, or other event whatsoever.

(b) The following factors shall be considered in making a determination that a person has engaged in the offense of bookmaking:

1. Taking advantage of betting odds created to produce a profit for the bookmaker or charging a percentage on accepted wagers.
2. Placing all or part of accepted wagers with other bookmakers to reduce the chance of financial loss.
3. Taking or receiving more than five wagers in any single day.
4. Taking or receiving wagers totaling more than \$200 in any single day, or more than \$1,800 in any single week.
5. Engaging in a common scheme with two or more persons to take or receive wagers.
6. Taking or receiving wagers on both sides on a contest at the identical point spread.
7. Any other factor relevant to establishing that the operating procedures of such person are commercial in nature.

(c) The existence of any two factors listed in paragraph (b) may constitute prima facie evidence of a commercial bookmaking operation.

(2) Any person who engages in bookmaking shall be guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. Notwithstanding the provisions of s. 848.02, any person convicted

28

HISTORY OF SPORTS WAGERING

In Nevada, the sports pool and race businesses became integrated within casinos.

Nevada race books, which had hand-booked wagers since opening, joined the national pari-mutuel system of wagering in the late 1950s.

Since then, Nevada has divided the race and sports pool operators into two separate licensed activities.

18C1 849.20(2)(b) "Book book" defined; penalties; exceptions.

18C1 849.20(2)(c) "Sports pool" defined; "Sports pool" defined.

29

SPORTS WAGERING IN AMERICA

* <https://youtu.be/TLMwrUjMD80?si=QwtovfMJQ5qHeeA&t=8739>



2016 - Packers @ Lions Week 17 SNF

30

PASPA

"§ 3702. Unlawful sports gambling
 "It shall be unlawful for—
 "(1) a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact, or
 "(2) a person to sponsor, operate, advertise, or promote, pursuant to the law or compact of a governmental entity, a lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly through the use of geographical references or otherwise, on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

31

PASPA

32

SPORTS WAGERING USA

U.S. Legal Sports Betting

33

AmericanGaming.org

FEDERAL WIRE ACT

- Part of the 1961 legislative package designed to cut off activities that financially sustained organized crime and to help states enforce their gambling laws.

34

FEDERAL WIRE ACT

- 18 USC §1084
 - (a) Whoever being engaged in the business of betting or wagering knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

35

ILLEGAL GAMBLING BUSINESS ACT

- 18 U.S.C. §1955 the Statute
 - (a) Whoever conducts, finances, manages, supervises, directs, or owns all or part of an illegal gambling business shall be fined under this title or imprisoned not more than five years, or both

36

ILLEGAL GAMBLING BUSINESS

- 18 U.S.C. §1955 the Statute
- (b) As used in this section—
 - (1) "illegal gambling business" means a gambling business which—
 - (i) is a violation of the law of a State or political subdivision in which it is conducted,
 - (ii) involves five or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and
 - (iii) has been or remains in substantially continuous operation for a period in excess of thirty days or has a gross revenue of \$2,000 in any single day.

37

ILLEGAL GAMBLING BUSINESS

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38

NEVADA MODEL

- Casino Operators/Mobile Gaming Operators
- Sports Pool Operators
- Race Book Operators
- Suitable Casino Location
- Sports Book Window Betting Systems
- Sports Book Account Wagering Systems
- Information Service Providers

39

NEVADA

- Nevada has two basic classes of operator's licenses
 - Restricted
 - 15 slots or fewer
 - Non-Restricted
 - Every other form of gaming operation
 - Casino
 - Sports
 - Race
 - Mobile
 - Online...

NEVADA

- Nevada has two basic classes of gaming equipment and associated licenses
 - Associated equipment
 - ancillary to gaming
 - Gaming devices, cashless wagering systems, inter casino linked systems, mobile gaming systems, interactive gaming systems
 - non-restricted manufacturer and distributor's license

NEVADA

- Non-restricted licensing
 - Applications include over 100 pages of initial application forms
 - Document requests will return thousands of documents
 - Applicants pay for the entire investigation
 - Applicants must prove suitability
 - Every aspect of an applicant's life is open for investigation

NEVADA

NRS 463.160 Licenses required; unlawful to permit certain gaming activities to be conducted without license; exceptions; separate license required for each location where operation of race book or sports pool conducted.

- 1. Except as otherwise provided in subsection 4 and NRS 463.172, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:
 - (a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, inter-casino linked system, mobile gaming system, slot machine, **race book or sports pool**;

NEVADA

NRS 463.0193 "Sports pool" defined. "Sports pool" means the business of accepting wagers on sporting events or other events by any system or method of wagering.

- NRS 463.0162 "Information service" defined. "Information service" means a person who sells and provides information to a licensed sports pool that is used primarily to aid the placing of wagers on events of any kind. The term includes, without limitation, a person who sells and provides any:
 1. Line, point spread or odds;
 2. Information, advice or consultation considered by a licensee in establishing or setting any line, point spread or odds; or
 3. Advice, estimate or prediction regarding the outcome of an event.
- The term does not include a newspaper or magazine of general circulation or a television or radio service or broadcast if the primary purpose of the newspaper, magazine or television or radio service or broadcast is other than to aid the placing of wagers on events of any kind.

NEVADA - LICENSES REQUIRED

- NRS 463.160 Licenses required; unlawful to permit certain gaming activities to be conducted without license; exceptions; separate license required for each location where operation of race book or sports pool conducted.
- 1. Except as otherwise provided in subsection 4 and NRS 463.172, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:
 - (a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, inter-casino linked system, mobile gaming system, slot machine, **race book or sports pool**;
- (b) To operate or maintain a **mobile gaming system**;
- (c) To operate a gaming table;
- (d) To receive, directly or indirectly, any compensation or reward in any percentage or share of the amount or property placed for betting, banking or carrying on any gambling game, slot machine, gaming device, mobile gaming system, race book or sports pool;
- (e) To operate as a cash agent and receiving instrument services provider; or
- (f) To operate, carry on, conduct, maintain or expose for play in or from the State of Nevada any interactive gaming system.

** Whether having first approval, and thereafter maintaining an office, all slot machines, coin-operated and electronic gaming machines are required to receive, regulation or approval as to the governing board of any subordinate terms.

NEVADA - ASSOCIATED EQUIPMENT

- NRS 463.0136 "Associated equipment" defined. "Associated equipment" means:
 1. Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or mobile gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
 2. A computerized system for recordation of sales for use in an area subject to the tax imposed pursuant to NRS 368A.200.

46

NEVADA - ACCOUNT WAGERING SYSTEMS

- NRS 463.014 "Cashless wagering system" defined. "Cashless wagering system" means a method of wagering and accounting:
 1. In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer operated and maintained by a licensee which maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or
 2. Used in a race book or sports pool in which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained on a computer that maintains a record of each transaction involving the wagering instrument or wagering credits and is operated and maintained by a licensee.

47

NEVADA -ACCOUNT WAGERING SYSTEMS

- **463.013 "Manufactured device"**
 - (1) "Manufactured device" means:
 - (a) An electromechanical, mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or mobile gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
 - (b) A device used in a race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
 - (2) "Manufactured device" includes a gaming device, mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or mobile gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
 - (3) A device used in a race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
- **463.014 "Cashless wagering system" defined.** "Cashless wagering system" means a method of wagering and accounting:
 - (1) In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer operated and maintained by a licensee which maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or
 - (2) Used in a race book or sports pool in which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained on a computer that maintains a record of each transaction involving the wagering instrument or wagering credits and is operated and maintained by a licensee.
- **463.015 "Manufactured device" defined.** "Manufactured device" means a device used in a race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
- **463.016 "Manufactured device" defined.** "Manufactured device" means a device used in a race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
- **463.017 "Manufactured device" defined.** "Manufactured device" means a device used in a race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or

48

NEVADA - ACCOUNT WAGERING SYSTEMS

- NRS 463.650 License required for manufacture, selling or distribution of gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada, exceptions; applicability of [NRS 463.400](#) to [463.645](#), inclusive; certain persons conducting business in Nevada to submit copy of registration with Attorney General of the United States to the Board; unlawful to distribute certain items to jurisdictions where such items are illegal.
- 1. Except as otherwise provided in subsections 2 to 5, inclusive, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to operate, carry on, conduct or maintain any form of manufacture, selling or distribution of any gaming device, **cashless wagering system**, mobile gaming system or interactive gaming system for use or play in Nevada without first procuring and maintaining all required federal, state, county and municipal licenses.

NEVADA – SYSTEM REQUIREMENTS

- Technical Standards for Cashless Wagering Systems
- Systems must support Minimum Internal Control Standards
 - This is a high hurdle for many foreign bookmaking systems as many systems from Europe or the Caribbean are built to fit business needs with little or no regulatory requirements

OTHER STATES – GLI 33

- Covers many of the same policy areas of the Nevada technical standards and MICS
- Published and maintained by Gaming Laboratories Inc

NEVADA - ONE LICENSE PER ESTABLISHMENT

- NRS 463.245 Single establishment not to contain more than one licensed operation; exceptions; certain agreements for sharing of revenue prohibited.
- 1. Except as otherwise provided in this section:
 - (a) All licenses issued to the same person, including a wholly owned subsidiary of that person, for the operation of any game, including a sports pool or race book, which authorize gaming at the same establishment must be merged into a single gaming license.
 - (b) A gaming license may not be issued to any person if the issuance would result in more than one licensed operation at a single establishment, whether or not the profits or revenue from gaming are shared between the licensed operations.

NEVADA - ONE LICENSE

- NRS 463.245 Single establishment not to contain more than one licensed operation; exceptions; certain agreements for sharing of revenue prohibited.
- 2. A person who has been issued a nonrestricted gaming license for an operation described in subsection 1 or 2 of NRS 463.0177 may establish a sports pool or race book on the premises of the establishment only after obtaining permission from the Commission.

NRS 463.0177 "Nonrestricted license" and "nonrestricted operation" defined. "Nonrestricted license" or "nonrestricted operation" means:

1. A race gaming license for an operation consisting of 16 or more slot machines.
2. A license for, or operation of, any number of slot machines together with any other game, gaming device, race book or sports pool at one establishment; or
3. A license for, or the operation of, a slot machine route.

52

NEVADA - ONE LICENSE

- NRS 463.245 Single establishment not to contain more than one licensed operation; exceptions; certain agreements for sharing of revenue prohibited.
- 3. A person who has been issued a license to operate a sports pool or race book at a second establishment described in subsection 1 or 2 of NRS 463.0177 only if the second establishment is operated by a person who has been issued a nonrestricted license for that establishment. A person who has been issued a license to operate a race book or sports pool at an establishment is prohibited from operating a race book or sports pool at:
 - (a) An establishment for which a restricted license has been granted; or
 - (b) An establishment at which only a nonrestricted license has been granted for an operation described in subsection 3 of NRS 463.0177.


53

LOOT BOXES

54

VIDEO GAMING - BACKGROUND

- To understand loot boxes it helps to have a bit of history with regard to video games and video game revenue sources



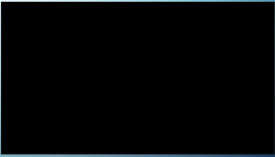

VIDEO GAMING - BACKGROUND

- While the Magnavox Odyssey is arguably the first commercial video game, it was the arcade game PONG that was the first commercially successful




VIDEO GAMING - BACKGROUND

- Pong was simple but revolutionary for its time.
- Pong arcade games were sold for \$3000 or more (approximately \$22,000 today)
- Pong's manufacturer made revenue from cabinet sales
- Pong's purchasers made revenue on a per game play basis

VIDEO GAMING - BACKGROUND

- In 1975, the first commercial home computer was marketed as a kit.
- The ALTAIR 8800 was an intel 8080 based home computer
- It featured no video output, but a standard ASCII terminal (RS232) could be attached





VIDEO GAMING - BACKGROUND

- In 1975, Pong was introduced as a home video game.
- Again, while the Magnavox Odyssey was first in 1972, it had issues and the 1975 Atari Pong games were the first successful home video game console




VIDEO GAMING - BACKGROUND

- Sears sold 150,000 pong consoles in the first few months of having the product
- Revenue for the manufacturer (Atari) was derived solely from console sales



VIDEO GAMING - BACKGROUND



- In 1977 the first commercially successful pre-built home computers went on sale
- The TRS-80 from Tandy/Radio Shack, the Commodore Pet and the Apple II

VIDEO GAMING - BACKGROUND

- Without proprietary APIs the early pre-built computers were open for any software publisher to create software
- Apple even included the source code listings for all of its firmware in the documentation for their computers
- A software video game industry was born

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139 AU 3:
41 DAMM .:37: WUAC 23: JOQVU
,LAGEC
AMM PS QPOH @,, HPS
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QT: JQ QT=1 PS QTNB THEM HS
E>QT.1
61 DAMM .:37
66 JG IQ& OS ,I, THEM 200
  
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VIDEO GAMING - BACKGROUND




By Bill Hogue & Jeff Konger
 (C)1982 by Big Five Software
 P.O. Box 9070-165 Van Nuys Ca 91409 (213) 782-6861

Press " " for High Scores
 Select " " or " " Players to Start the Game
 Press " " for Instructions

- Commodore and Tandy were black and white displays only

VIDEO GAMING - BACKGROUND



- The Apple II had color

VIDEO GAMING - BACKGROUND

- In 1977, Atari introduced its first home video game console with changeable game software on cartridges.
- Originally sold through Sears stores, the Tele-Games Video Arcade and the identical Atari 2600 were popular selling over 30 million consoles.




VIDEO GAMING - BACKGROUND

- In 1978, Space Invaders, made by Taito became a blockbuster hit.
- Sold initially in arcade console form, it ushered in the global video game market.
- Taito licensed production to Midway(Bally) for the U.S. market
- An early form of video game licensing.



VIDEO GAMING - BACKGROUND

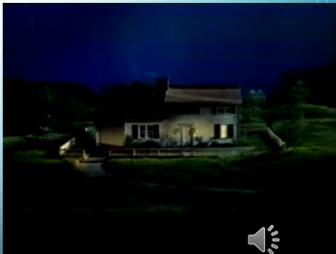
- In 1979, former Atari game developers formed their own company to make games for the Atari VCS
- Atari sued for copyright infringement for use of its API
- Atari and Activision settled and a new revenue stream was found: Licensing



FOR USE WITH THE ATARI VIDEO COMPUTER SYSTEM


VIDEO GAMING - BACKGROUND

- In 1980, Atari licensed Space Invaders and it quadrupled sales of the VCS



VIDEO GAMING - BACKGROUND

- The 2600 also introduced the "exclusive title" to home video game systems.




VIDEO GAMING - BACKGROUND

- The 2600 is so popular that Atari recently reissued a new version that went on sale on November 17, 2023.
- The 2600 originally provided Atari with 2 streams of revenue
 - Console Sales
 - Game Cartridge Sales

The New Atari 2600+ Is a Throwback Console With Modern Tendencies, and It's Out Now


The 1980s ready-made console is backward compatible with hundreds of original Atari 2600 and other game cartridges.



Following the success of Atari's 505 Classic Edition and Easy-Drive II, Atari is once again bringing the classic 2600 back to the market with one of the most iconic consoles of the original 1980s. The new Atari 2600+ is a throwback console with modern tendencies, and it's out now. The console is backward compatible with hundreds of original Atari 2600 and other game cartridges. It's out now.


VIDEO GAMING - BACKGROUND

- In 1981, IBM joined the home computer revolution
- It introduced the IBM 5150 PC (based on an existing microcomputer the IBM 5100)
- The 5100 was sold as a professional microcomputer starting in 1975 and sold for \$20,000 per machine (about \$114,000 today)
- The 5150, was priced starting at \$1585 (\$5200 today) with minimal ram, no graphics adapter and no disk drive



VIDEO GAMING - BACKGROUND

- To keep the price down, IBM commissioned Microsoft to develop an operating system for their new PC
- Microsoft purchased the rights to 86-DOS from Seattle Computers and renamed it MS-DOS.
- Seattle Computers created 86-DOS as an intel version of Digital Research Inc's CP/M that ran on Z80 based CPUs
- IBM soled MS-DOS as PC-DOS



VIDEO GAMING - BACKGROUND

- Typical usable IBM PC's, with a monochrome monitor and disk drive sold for \$2800 in 1981 (about \$9600 today)
- Given the lack of software initially and a price more than double the price of an Apple II, the PC did not sell well
- To fix the sales issue, IBM began bundling the PC with mainframe and mini sales, and providing mainframe maintenance discounts for customers that purchased PCs



VIDEO GAMING - BACKGROUND

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VIDEO GAMING - BACKGROUND

- Graphics 1981
 - Apple II Graphics max 280x160 16 colors
 - IBM CGA Graphics 160 x 100 16 colors
 - 320 x 200 4 colors
 - 640 x 200 2 colors
 - Commodore 64 320 x 200 16 colors
 - Atari 800 Home Computer 320x192 265 colors
- The IBM required a separate graphics card to display graphics.



VIDEO GAMING - BACKGROUND

- In 1983, a newcomer to the video game console market Nintendo introduced its FAMICOM or NES home gaming console in Japan. In Japan it quickly outsold the Atari 5200 (the successor to the 2600)



VIDEO GAMING - BACKGROUND

- In 1984, Apple introduces the Macintosh.
- The Macintosh is the first computer targeted for the home market featuring a graphical user interface
- The Macintosh is a smaller computer based on Apple's Lisa business computer
- The Macintosh does not display colors and is targeted at home and student productivity and had a resolution of 512 x 342 pixels



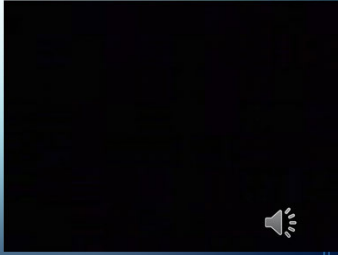
VIDEO GAMING - BACKGROUND

- In 1984, IBM introduces the EGA video card
- EGA increases resolution to 640x350 pixels displaying 16 colors from a pallet of 64 colors
- PC gaming resolutions are now approaching arcade level standards
- EGA started at \$524(\$1500 today) and EGA Monitors were over \$1000 (about \$3000 today)




VIDEO GAMING - BACKGROUND

- Also in 1984, the Amiga Corp, showed off a forthcoming computer at the Consumer Electronics Show in Las Vegas.
- The Amiga was designed to be a personal computer that specialized in computer gaming and graphics applications



VIDEO GAMING - BACKGROUND

- In 1984, the Amiga was just a prototype concept, but it showed the potential for home gaming at a very high level equivalent to or better than arcade games





VIDEO GAMING - BACKGROUND

- In 1985, the Atari introduced the Atari ST computer to compete with Apple (after a failed attempt to purchase Amiga).
- The ST had 320 x 200 16 color or 600 x 400 black and white resolution
- The ST equaled or exceeded the graphics and sound capabilities of arcade games.





VIDEO GAMING - BACKGROUND

- In 1987 IBM releases its first VGA graphics cards.
- VGA resolution was 640 x 480 in 16 colors
- VGA cards were introduced for \$1290 (\$3300 today) and required new monitors that started at \$1550 (\$4500 today)
- VGA became the defacto PC graphics standard

VIDEO GAMING - BACKGROUND

- In 1987 Commodore, after purchasing Amiga Corp, introduced the AMIGA 1000 personal computer
- Game developers flocked to the Amiga as a system for initial game development


VIDEO GAMING - BACKGROUND

- Game developers primarily sold games on floppy disk through the 1980s and 1990s.
- The PC began to dominate in the 1990s and game developers largely ignored other platforms





VIDEO GAMING - BACKGROUND

- Sony worked with Nintendo on a next generation NES that would use CD-ROMs instead of cartridges
- Nintendo rejected the joint development with Sony, and Sony continued development alone
- In 1990, Sony brought their development to market as the Play Station




VIDEO GAMING - BACKGROUND

- In the mid to late 1990s 3d graphics were the next big thing.
- Silicon Graphics dominated 3D graphics for commercial workstations
- SG worked with Nintendo on the N64




VIDEO GAMING - BACKGROUND

- In the PC world, former engineers from Silicon Graphics founded a new company 3DFX to bring high end 3D graphics to PCs
- 3DFX's Voodoo cards ushered in the first generation of games that were superior to arcade based games
- Initial pricing for 3DFX cards was under \$400 in 1995



VIDEO GAMING - BACKGROUND



- In 1997, Cavedog Entertainment introduced Total Annihilation, the first game to feature downloadable content (DLC) to games
- Cavedog provided the DLC at no additional cost, but a new potential revenue stream was born.

VIDEO GAMING - BACKGROUND

- In 1999, the next big innovation in home gaming consoles was introduced by SEGA
- The SEGA Dreamcast (\$199) included a 56kb dial-up modem to facilitate networked gaming
- In the U.S. SEGA had an arrangement with AT&T to offer game networking dial-up
- The era of head-to-head and tournament home console gaming had been created



VIDEO GAMING - BACKGROUND

- In 2000, Sony answered the challenge from SEGA and Nintendo (Game Cube) by introducing the Play Station 2
- The PS2 also featured an optional network adapter to allow online gaming
- The PS2 sold 500,000 units in the first two weeks following its release



VIDEO GAMING - BACKGROUND

- SEGA, who had worked with Microsoft on the Dreamcast, began and ceased development of a successor to the Dreamcast.
- Microsoft, seeing the sales of the PS2 and its integration into home entertainment systems (largely due to the built in DVD player), began development of its own gaming console
- The XBOX was based on PC technology and introduced with full broad-band network connectivity in 2001



VIDEO GAMING - BACKGROUND

- The XBOX also introduced gaming as a service and online content purchases for home gaming consoles.
- Microsoft's PC technology meant it could use Windows API's for gaming (DIRECT X) to make porting PC games easy
- It also included an Nvidia graphics card (Nvidia purchased 3DFX) for superior graphics.



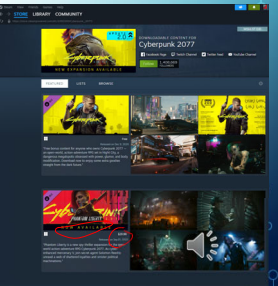
VIDEO GAMING - BACKGROUND

- In the 1990s and early 2000s networked PC games became popular
- Most games, like DOOM allowed multi-player game play over a computer network
- The age of the LAN party was born as was multi-player gaming tournaments



VIDEO GAMING - BACKGROUND

- As broadband internet access became available in more households, the LAN party gave way to internet gaming
- Broadband also ushered in the era of the online software store for selling games and downloadable game content.

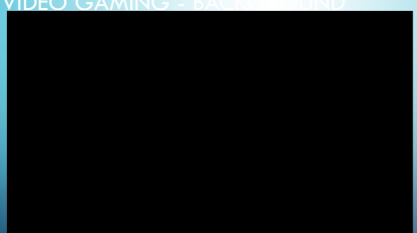


VIDEO GAMING - BACKGROUND

- In 2007, the iPhone was introduced.
- The iPhone was essentially the marriage of a low power consumption computer and a cellular phone (radio)
- The iPhone operating system is based on the Macintosh operating system



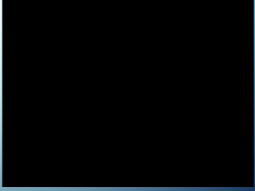

VIDEO GAMING - BACKGROUND



- The iPhone uses a version of a desktop OS


VIDEO GAMING - BACKGROUND

- In 2008, Google introduces Android
- In development since 2003 (predating the iPhone)
- Android is based on Linux
- Unlike iOS, Android is open source





VIDEO GAMING - BACKGROUND


	Desktop	Console	Mobile
Software Sales (license)	X	X	X
Software Development Eco System	X	X	X
Broadband	X	X	X



VIDEO GAMING - BOXES AND CRATES



- For years games had crates and boxes to provide players with items they need to continue playing.



VIDEO GAMING – BOXES AND CRATES

- *In 2004, a Japanese developer combined micro transactions with in-game boxes
- *Players purchased tickets outside of game play
- *Tickets were used to unlock boxes in the game
- *Boxes contained items to continue game play



A screenshot from the game MapleStory showing a 'Gachapon Tickets' interface. The text 'MapleStory Age Gachapon Tickets Worth it?' is prominently displayed. There are icons for tickets, a character, and various in-game items.

VIDEO GAMING – BOXES AND CRATES

*This was another form of revenue stream for game developers

Revenue Streams
Game Sales
Downloadable Content
Game Licensing
In-game Transactions

VIDEO GAMING – BOXES AND CRATES

- *The use of loot boxes and crates became more popular with game developers as it creates a recurring revenue stream
- *The issue came to the forefront with Battle Front II, a Star Wars universe based game from Electronic Arts



A screenshot of the game cover for Star Wars Battlefront II. It features characters from the Star Wars universe in a battle scene.


VIDEO GAMING – BOXES AND CRATES

- When released, Battlefront II averaged \$69
- Battlefront II entered large scale beta testing with a loot crate mechanic
- To unlock loot crates, players needed crystals (the in-game currency)
- Crystals could be won during play
- Crystals could be purchased



VIDEO GAMING – BOXES AND CRATES

- The initial mechanic required certain items to continue or advance play in the game
- Those items were only available in loot crates
- Loot crates return random game items (sometimes items already in a player's inventory, sometimes items not needed for additional play)




VIDEO GAMING – BOXES AND CRATES

- Accusations that Electronic Arts had created a gambling system in Battlefront II were made
- Can you make such an argument?

How a Star Wars video game faced charges that it was promoting gambling

By Game Park
November 18, 2017 at 2:00 p.m. EST



VIDEO GAMING —

- Electronic Arts countered such arguments by claiming all loot crates could be opened with crystals earned during game play
- Players and analysts countered that it would take over 4,500 hours to do so during play or a few minutes by purchasing \$2,100 worth of crystals

VIDEO GAME "LOOT BOXES" ARE LIKE GAMBLING FOR KIDS — AND LAWMAKERS ARE CIRCLING
 U.S. state legislators and other nations are considering regulation against "loot boxes," which alarm some psychologists and gaming experts.

Best News
December 8 2017, 10:30 a.m.

IN MID-NOVEMBER, VIDEO game publisher Electronic Arts released "Star Wars Battlefront II," a multiplayer shooter for consoles and PCs. The title is likely to be a top item on many holiday shoppers' lists: the original "Battlefront" sold an estimated 12 million copies.

But "Battlefront II," rated for ages 13 and up, has ignited a firestorm of controversy for the particularly cynical way it pushes players to buy "loot boxes," random collections of in-game abilities that remain a mystery until purchased. Experts say loot boxes prey on addictive impulses that can be particularly difficult for children and other young people to control. Lawmakers, meanwhile, are considering regulating loot boxes as a form of gambling.

"There's an entire new industry larger than even the film industry which is able to put its products right in the pockets of the average person, including kids," said James Stone Bay, Chris Lee, a Democrat and self-described longtime gamer who has nevertheless described "Battlefront II" as an "online casino designed to lure kids into spending money."

EA GAMES | **Star Wars Battlefront II** | **Home** | HEROES | MULTIPLAYER | News | Forums

An Update on Star Wars Battlefront II
 From Oskar Gabrielson, GM, EA GAMES

Thank you to everyone in our community for being the passionate fans that you are.

Our goal has always been to create the best possible game for all of you — devoted Star Wars fans and game players alike. We've also had an ongoing commitment to constantly listen, tune, and evolve the experience as it grows. You've seen this with both the major adjustments, and polish, we have made over the past several weeks.

But as we approach the worldwide launch, it's clear that many of you feel there are still challenges in the design. We've heard the concerns about purchasing game players and/or advantages. And we've heard that this is overhauling an otherwise great game. This was never our intention. Sorry we didn't get this right.

We hear you loud and clear, so we're turning off all in-game purchases. We will now spend more time listening, adjusting, balancing and tuning. This means that the options to purchase crystals in the game is now offline, and all progression will be earned through gameplay. The ability to purchase crystals in game will become available at a later date, only after we've made changes to the game. We'll share more details as we work through this.

We have created a game that is built on your input, and it will continue to evolve and grow. Star Wars Battlefront II is three times the size of the previous game, bringing to life a brand new Star Wars story, space battles, epic new multiplayer experiences across all three Star Wars eras, with more free content to come. We want you to enjoy it, so please keep your thoughts coming. And we will keep you updated on our progress.

VIDEO GAMING — LOOT BOXES AND CRATES

QUESTIONS
