



WEEK 3

FRIDAY 17 JAN 2014

THIS WEEK

- Scientific Games sell Sportech stake
- Guest column: Chris North on crowdfunding
- CEO panel set for Stockholm conference
- Tweets of the week

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TOP STORY

ZYNGA POKER GOES LIVE ON FACEBOOK

Real-money variant integrated into social network



Zynga founder Mark Pincus (left) and CEO Don Matrick (right)

Zynga have launched real-money online poker on Facebook. The social gaming firm's Zynga Plus Poker has gone live on the social network for UK residents over the age of 18. The fully integrated app will continue to utilise the Party Poker network in line with an existing deal between the companies.

In October 2012 Zynga entered into an exclusive partnership agreement with online operators BwinParty, parent company of Party Poker, to develop and operate real-money online and mobile poker and casino products in the UK. BwinParty were to provide the offerings' operating platform and software, with the games launched on their Gibraltar licence.

The following month a deal was agreed between Zynga and Facebook which stated that if Zynga ever released real-money gambling products they were obliged to subsequently launch the same games on Facebook, subject to Facebook permitting real-money gaming in the countries in question.

Zynga launched real-money online poker and casino games into the UK market in April 2013, with Zynga Plus Poker and Zynga Plus Casino

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available as a downloadable client and web-based application. Released as a skin of the Party Poker client, the poker product failed to have much of an impact on the network's traffic levels, although it did trigger Zynga's Facebook obligation.



Last July, Zynga scrapped plans to enter the US real-money gaming market following the arrival of new CEO Don Mattrick, with the firm stating that their "biggest opportunity" in the country was to focus on free-to-play social games. The September prior, under previous CEO Mark Pincus, the company had filed an application for a preliminary finding of suitability with the Nevada Gaming Control Board, but withdrew from the licensing process not long after the arrival of Mattrick.

Facebook's first foray into real-money gaming was the launch of the Bingo Friendly app in August 2012. Created by developers Gamesys and available only to UK players, the product offered 90-ball bingo and slots. Online firm 888 have also released real-money gaming on Facebook in the form of bingo and

slots product Bingo Appy and casino offering Magic888.

KEY POINTS

- Zynga launch real-money online poker on Facebook.
- Integrated app uses Party Poker network.
- Zynga contractually obliged to release real-money games on Facebook.

DEALS

SCIENTIFIC GAMES SELL SPORTECH STAKE

Deal nets providers nearly £28m

Scientific Games have sold their entire stake in operators and suppliers Sportech. The providers have parted with just over 39.7 million shares for a total of £27.8m.

Scientific Games Corporation acquired the shares in early 2010 following Sportech's takeover of their pari-mutuel and venue management division Scientific Games Racing (SGR). Sportech purchased SGR for a total consideration of up to \$83m, with an initial consideration of \$65m satisfied in part by the issuing to Scientific Games Corporation of 39,742,179 Sportech shares, equal to 19.9% of the company.

The shares were issued to Scientific Games at 50 pence each, giving them a total value of around £19.9m, meaning that following the sale of their stake Scientific Games have made a profit in the region of £7.9m on the deal.

Meanwhile Scientific Games and their WMS subsidiary have amended their long-term licensing agreements with toy company Hasbro to gain access to new channels of distribution, additional brands and extended geographic territories.

KEY POINTS

- Scientific Games sell their entire stake in Sportech for £27.8m.
- Shares had been acquired as part of Sportech's SGR takeover.

INDUSTRY EVENTS

I-GAMING FORUM TO HOST CEO DISCUSSION

Executives to debate the future of the gambling industry

A strong CEO panel is one of the highlights of this year's I-Gaming Forum. The sixth edition of the annual Nordic-centric event, set for Stockholm on 8-9 April, will see a selection of company bosses come together to discuss recent industry trends and challenges as well as future developments. The panel includes Mikael Pawlo, CEO of online casino Mr Green, Matt Davey, CEO and owner of providers NYX Gaming Group and Magnus Silfverberg, CEO of online operators Betsson.

KEY POINTS

- Mr Green, Betsson and NYX Gaming CEOs head I-Gaming Forum panel.



Betsson CEO Magnus Silfverberg will speak at I-Gaming Forum

Tweets of the week 

"What impact, if any, would Gov. Christie impeachment, indictment, and/or media crucifixion have on potential NJ iGaming compacts...?"
Gaming lawyer and law firm owner Ian J Imrich [[@ijiLaw](#)]

"Oh no! Tube strike during #ICETotallyGaming?"
Asia Gambling Brief's Rosalind Wade [[@AsianGaming](#)]. Let's hope it gets called off between now and then...

"If we want to see corporate sponsoring in poker we can start by popping the degeneracy driven staking bubble that fuels top-level poker."
Infinite Edge Gaming founder Kim Lund [[@InfiniteEdgeKim](#)]

GUEST COLUMNIST

**“GAMBLING-FOCUSED
CROWDFUNDING”**


by **Chris North**
*gaming
entrepreneur*

“With the announcement in December 2013 about my new

venture GamCrowd, a crowdfunding and crowdsourcing company specifically for the gambling industry, I am going back to my roots as an entrepreneur.

My last venture struggled to register any interest from VCs and so I went back to my own crowd. I didn't know it was called crowdfunding at the time, but that is exactly what we did and it was a spectacular success.

I was founder and CEO of the Fox Poker Club in London when it launched in 2010, and having received no support from banks or VCs, I successfully sought help from my friends in the industry.

I needed cash, expertise and credibility for such a big project. In my search for seed funding, I was supported by professional poker players like Phil Laak, Barney Boatman and Joe Beevers, who helped ensure a great poker experience. Others helped out too, such as 888 CEO Brian Mattingley, who was the first chairman, retail bookmaker Ian Hogg, who helped with licensing and operations, and Lyceum Publishing's Michael Caselli, who helped with marketing and PR. These and about 30 other investors from the industry brought cash, expertise and helped spread the word. The result was a club that grew to 26,000 members in six months, was packed every weekend and was sold to Genting Plc within a year in a multi-million-pound deal.

Now I want to use the same kind of people and resources to launch a crowdfunding site targeted exclusively at the gambling industry. GamCrowd seeks to match investors, startups and industry expertise just for the gambling industry. Crowdfunding is revolutionising the way that startups raise money in an era when banks and venture capital firms are reducing their contribution to early-stage funding.

GamCrowd is backed by many of the investors that were successful with Fox Poker Club. The crowdfunding platform will go live at the end of January, when it will start recruiting its 'crowd' – potential investors, startups looking for funds and industry professionals. The crowd can get involved by investing either with cash equity, freelance crowdsourcing or crowd voting and are being asked to register at gamcrowd.com. Once we have a sufficient base of investors, startups and a crowd, we will begin putting people in touch with each other and allow investments to happen. Before any investment takes place, GamCrowd will be registered with the Financial Conduct Authority which has recently issued a detailed consultation document on the nascent crowdfunding industry in the UK.

According to researcher Datamonitor, crowdfunding for businesses in the UK is experiencing growth of 80% Compound Annual Growth Rate (CAGR) across all its variations and has raised funds this year of over £119m. UK market leader Crowdcube has helped startups raise over £16m, but doesn't focus on any particular market or industry.

This is where I believe GamCrowd will have an edge. We intend to introduce investors with contacts and expertise to startups in the gambling industry across the world. As I have already learned, this

will add tremendous value to the startups that are successful in being funded.

What GamCrowd does is bring gambling industry professionals together into their 'Marketplace' so that they can help with almost any task. It's fast and efficient and at a significantly reduced cost compared to traditional methods, giving you scalability without the overheads. So for example you may need to get a promotional video done. By using the GamCrowd Marketplace you can set this task and GamCrowd registered sellers will then send you proposals to do the task for you. Or you may need a more in-depth level gambling industry expertise, like finding someone to create a CRM strategy for a particular market segment. Whatever the complexity of the task you need, GamCrowd can provide that gambling industry professional to fulfil the task.

And the Marketplace is not just for startups but for the whole gambling industry – basically a *PeoplePerHour.com* for the gambling industry.

Crowdfunding isn't new; the Statue of Liberty was funded that way and, as I have already shown, the model can be successful in the modern gambling industry. The development of Web 2.0 and social media have given it a new technology-based impetus. GamCrowd will hopefully offer a platform that will make a real difference for the creation of innovative startups that will drive growth in the UK gambling industry.

*Chris North is founder
and CEO of GamCrowd*

**Want to be a guest
columnist in GI Friday?
Write to: [editor@
gamblinginsider.com](mailto:editor@gamblinginsider.com)**

COMING SOON: Look out for a new issue of *Gambling Insider's* print magazine this month, including a major focus on mergers and acquisitions in the gambling industry, as well as two additional *Gambling Insider Focus* publications in time for the ICE and LAC industry events

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1st Prize - iPad AIR

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Pump It Up at LAC

Attending LAC? EP will be holding raffles on both days (Feb. 7th and 8th). All you have to do to enter is visit us at stand A6 and drop off your business card!

1st Prize - iPad Mini
2nd Prize - Apple TV



Final date for uploads: 3rd February 2014



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