



# WEEK 34

## FRIDAY 22 AUG 2014

### THIS WEEK

- Gibraltar launches PoC legal challenge
- KPMG to audit Global Gaming Awards
- Guest columnist: Martin Prantner
- Tweets of the week

Sponsored by



#### TOP STORY

## POKERSTARS SCRUTINY DEMANDED

New Jersey assemblyman calls for a closer look at operator's online entry



Assemblyman Ralph R Caputo

A US politician wants New Jersey regulators to vet PokerStars more stringently ahead of the online poker room's potential entry into the state's real-money internet gaming market. Assemblyman Ralph R Caputo wrote in New Jersey newspaper *The Star-Ledger* that NJ officials, through the Department of Gaming Enforcement (DGE), "owe it to residents" to take into account PokerStars' "past as well as its present, and not rush to usher in a firm with a tainted past simply to bolster the faltering online gambling experiment".

Provider Amaya Gaming Group recently completed its acquisition of PokerStars parent company Rational Group for \$4.9bn with a view to introducing the brand into the New Jersey online gaming market. Licensing talks between Amaya and the DGE began earlier this summer and the regulator has made encouraging noises regarding PokerStars' potential acceptance into a market from which it was locked out for two years in December 2013.

That application suspension was primarily due to the unresolved 2011 federal indictment against Stars

CONTINUED ON NEXT PAGE ►

BROUGHT TO YOU BY:

### GAMBLINGINSIDER

## FROM FRONT PAGE ►

founder Isai Scheinberg for allegedly violating the Unlawful Internet Gambling Enforcement Act (UIGEA) and the Illegal Gambling Business Act, but it is believed that the departure of certain Stars figures, including Scheinberg and his son Mark, should demonstrate the “significantly changed circumstances” required to lift the sanction.

Caputo questions why, when a land-based casino operator is required to go through an “exhaustive vetting process” to enter New Jersey, PokerStars and its new owner will face “no such scrutiny” as the approval process for an online vendor is “much less stringent and does not require any public transparency”.

“PokerStars’ attempt to brand itself with new ownership doesn’t negate the company’s checkered history,” he says. “Any new licensing review of PokerStars must take that history into account as the firm’s way of conducting business threatens to undermine the integrity and public confidence that Atlantic City has worked diligently to build.”

Meanwhile New Jersey governor Chris Christie will hold a bipartisan summit next month to discuss the future of the Atlantic City casino market.

## KEY POINTS

- Assemblyman Ralph R Caputo calls for more stringent vetting of PokerStars ahead of the operator’s proposed entry into the New Jersey online gaming market
- Democrat says PokerStars’ history should be taken into account, despite recent Amaya takeover
- Caputo says integrity of Atlantic City could be undermined

## UK/GIBRALTAR

## GBGA LAUNCHES LEGAL CHALLENGE OVER PoC

## Gibraltar association claims new regime is “unlawful”

The Gibraltar Betting and Gaming Association (GBGA) has filed a legal challenge against the UK government’s place-of-consumption (PoC) law. The Association, which represents Gibraltar-based online gambling operators, believes the new regime, introduced through the Gambling (Licensing and Advertising) Act 2014, is “unlawful, because it is an illegitimate, disproportionate and discriminatory interference with the right to free movement of services guaranteed by Article 56 TFEU, and is irrational”.

Those behind the law insist it will better protect consumers but the GBGA believes the new system was designed for economic reasons, namely to grant UK operators a competitive advantage over overseas competitors.

GBGA chief executive Peter Howitt [pictured] said: “The Gambling Commission has neither the resources, the legal powers, nor the skills to operate successfully across the globe. That it believes it is better placed to regulate the industry here is laughable.”



## KEY POINTS

- GBGA confirms legal challenge against the UK’s forthcoming PoC regime
- New system described as “unlawful” and an “illegitimate, disproportionate and discriminatory interference”

## GLOBAL GAMING AWARDS

## KPMG TO PARTNER GLOBAL GAMING AWARDS 2014

## Auditors to verify and validate the voting system



The Global Gaming Awards 2014 have announced KPMG Gibraltar as official voting adjudicator. The professional services giant has agreed to validate the awards’ voting system and its accuracy, in order to confirm the independence and transparency of the whole process.

The Global Gaming Awards are a set of industry awards that recognise, celebrate and reward the best companies worldwide, bringing together an increasingly convergent land and digital gaming industry.

Archie Watt of KPMG Advisory Ltd Gibraltar said: “Our experience in adjudicating awards and the Global Gaming Awards’ openness in asking us to verify the whole voting process gave us the incentive we needed to put our name to the concept.”

## KEY POINTS

- KPMG confirmed as official voting adjudicator of the Global Gaming Awards 2014

Tweets of the week 

“#NewJersey DGE confirmed yesterday it was in licensing discussions with PayPal. #Nevada GCB said PP is not currently a license applicant.”  
GamblingCompliance research director Chris Krafcik [@ckrafcik]

“Newsweek’s hatch job on poker will have impact, when that rag is read by a few 80-year-olds in dental offices 18 months from now.”  
WSOP media director @NolanDalla

“Ladbrokes CEO Richard Glynn set to receive 760,000 shares worth £1m under 3-year performance-related plan taking him to end of 2016.”  
Times business reporter Dominic Walsh [@walshdominic]

## GUEST COLUMNIST

## “WHY DO ESTABLISHED OPERATORS BENEFIT FROM RUNNING THEIR OWN INDEPENDENT PLATFORM?”



by **Martin Prantner**  
Platform provider CEO

“The i-gaming industry, like so many other industry sectors, has grown quickly with commoditisation of the sector becoming apparent to both industry and non-industry observers. In managing this growth phase, operators have gravitated to established gaming platforms to power their mobile and online brands, perhaps at the expense of innovation through selecting an independent platform vendor.

It’s not hard to understand why this is the case. Most gaming businesses face ever-changing regulations, compliance, increased scrutiny from governments on consumer protection and social corporate responsibility almost on a daily basis. With the economies in most countries still recovering, and the tax burden on the operators therefore increased, regulators are looking to gaming as a means of much needed tax revenue for the state. Then if you factor in complex operational and organisational challenges and an increasingly competitive consumer landscape, these often come at the expense of technology, product innovation and platform independence.

As an independent platform provider that delivers complete customised gaming solutions to the sector, my company firmly believes that innovation through technology independence has perhaps slowed over the past few years and shouldn’t carry the standard rhetoric you hear of “we don’t have enough resources to invest in innovation or a new platform”.

Technology and innovation are the lifeblood that has resulted in the fast growth of our industry and they are crucial for its continued development and future success. Gambling consumers are becoming more sophisticated, more discerning and demanding to whom they spend their gaming money with. Indeed in the eyes of the gambling public, gaming brands pretty much appear to have the same ‘skin’ and front-end product features and thus only really compete on promotional aspects of the digital marketing mix, by offering the largest sign-up bonuses, which can’t be sustainable in the long term for operators and their platform providers whether they are on a revenue share or earn-out.

Innovation and owning your own independent gaming platform shouldn’t come with the mindset that it equals a massive capital investment and that it is a riskier business model. Nor should it be the case we often hear that ‘we need to select a vendor with a track record in the space’ or that you may have an inferior product with which to compete. It should come with the mindset of innovation, the ability to differentiate your brand, react to market needs quickly. From a commercial standpoint the business owners retain more of the revenue flow, which can be further

retrenched into research and product development or much needed dividends to the entrepreneurs that provide the working capital investment and are very much part of the whole gaming ecosystem.

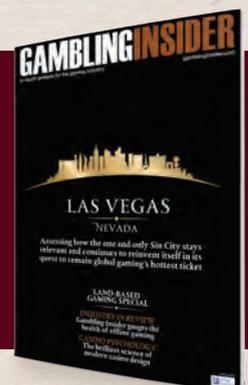
Most independent platform providers like us have built scalable, modular open-source approved technology ecosystems which allow the brand owner to select the best-of-breed games available in the marketplace. In practical terms this could mean the brand has access to the best 3D games available in the industry, and thus our customers can freely choose on a day-to-day basis which games can be offered on their website. This removes another perceived barrier that if an existing operator switches platform providers then they immediately lose access to the best mainstream games or products. It means alternative products like cryptocurrency can be integrated into the platform, thus allowing much needed competitive advantage.

Independence via the platform is crucial for innovation and competitive advantage. Operators of any size can make a modest investment and switch to gain more control of their business destiny.”

*Martin is CEO of Finnish based Finnplay Technologies, an independent platform provider that delivers complete customised gaming solutions. Martin holds an MBA from Cranfield and is an i-gaming industry veteran with 13 years of experience*

**Want to be a guest columnist in GI Friday? Write to: editor@gamblinginsider.com**

**OUT NOW: Look out for the July/August issue of *Gambling Insider's* print magazine, featuring an in-depth Land-Based Gaming Special as we profile key destinations such as Las Vegas and Macau and assess how they stay ahead of the competition**





**SENIOR SALES MANAGER**

**Location:** London, **Contract:** Full-Time,  
**Salary:** competitive.

EveryMatrix is looking for a seasoned sales manager to prospect and map new opportunities to introduce EveryMatrix products and services. The successful candidate will be handling the whole sale life-cycle. The ideal candidate will have at least 5 years' experience in the i-gaming industry, betting or gambling sector, as well as experience with dealing and selling a range of products used within gambling industry.

[CLICK HERE TO APPLY](#)



**THE COUNTDOWN HAS BEGUN**

T-MINUS **40** DAYS

YOU HAVE JUST THREE WEEKS IF YOU WANT  
TO BE PART OF THE GLOBAL GAMING AWARDS

**SHORTLIST MAGAZINE**



**BECOME AN INSIDER  
IT'S FREE!**

**APPLY  
NOW**

GET THE PRINT MAG:  
**GAMBLINGINSIDER**

**GET THE APP:**



0 seconds 30 minutes 24 hours

**15 000+**

**ODDS FEED  
LIVE MATCHES  
PER MONTH**



**50+ Sports**  
Betting Shop Setup Guidance  
BetShop Management Software  
Bet Stations



Professional Multi-Lingual Dealers  
**24/7 OPERATION**



**PACKAGES**



**50+ Sports  
300+ Odds Markets  
200+ Traders**  
Create, Control and Supervise the Odds