



WEEK 48

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THIS WEEK

- New Jersey to investigate Jim Ryan
- Scientific Games completes Bally Deal
- Columnist: Steven Matsell on learning from freeplay
- Tweets of the Week

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TOP STORY

NJ SPORTS BETTING THWARTED

Permanent injunction issued against sports-wagering law



Monmouth Park Racetrack was set to offer real-money sports betting

The injunction against the legalisation of sports betting for racetracks and casinos in New Jersey has been made permanent by a US District Court Judge. Judge Michael Shipp ruled in favour of the four major professional sports leagues and the NCAA (National Collegiate Athletic Association), who filed for the injunction in October after New Jersey made it legal for racetracks and casinos in the state to offer real-money sports betting. That law was signed by Governor Chris Christie as part of his plans to help revive the gambling industry in the state.

The four leagues and the NCAA are against the idea of sports betting, as they believe it could leave the sports open to match fixing. However a slightly different stance has been taken by NBA commissioner Adam Silver, who has called for a federal framework that would allow sports betting across the US.

This is not the first time that Shipp has passed an injunction against sports betting in New Jersey, as he previously blocked the implementation of the Sports Wagering Act of 2012, which was passed after the people of New

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Jersey voted in favour of sports betting in a 2011 referendum.

Shipp explained in a 31-page opinion that the latest law can also not be passed, due to the legal requirement to protect US sports.

He wrote: "This (law) necessarily results in sports wagering with the state's imprimatur, which goes against the very goal of (the Professional and Amateur Sports Protection Act). The court has determined that the 2014 law is invalid."

New Jersey remains determined to pass the law and its Senate President Stephen Sweeney announced via Twitter that the state will not accept the ruling.

"We continue to believe that New Jersey has the right to allow sports betting," he tweeted. "We are going to continue pursuing every legal option available. The economic impact sports wagering can have on NJ is far too important."

In June the US Supreme Court left intact a lower court ruling which had stated that federal law did not allow legal sports betting in the state.

KEY POINTS

- Judge Michael Shipp issues a permanent injunction against legal sports betting in New Jersey
- Temporary injunction had been passed in October
- State remains determined to pass the law

LEGAL

NEW JERSEY REGULATOR INVESTIGATING JIM RYAN

DGE to look into Pala Interactive CEO's Ultimate Bet links

The New Jersey Division of Gaming Enforcement is investigating the CEO

of Pala Interactive LLC, an online offshoot of the Pala Band of Mission Indians, due to a potential connection with the Ultimate Bet super user poker scandal.



Pala went live in New Jersey this week following the granting of a Transactional Waiver in October which allowed it to offer online gaming in the state. However in a letter made public by the DGE, its director David Rebeck confirms that an investigation will take place into whether Jim Ryan [pictured] or other Pala executives were "involved" in the scandal. Former BwinParty joint-CEO Ryan was CEO of Ultimate Bet's parent company Excapsa for a 23-month period during the time of the 2003-2007 scandal, which saw players allegedly cheated out of around \$25m.

The letter stated: "Questions have surfaced as to whether certain executives at Pala, including yourself, may have been involved in that matter".

KEY POINTS

- Pala Interactive CEO is being investigated by the New Jersey Division of Gaming Enforcement

- Regulator to look into Jim Ryan's Ultimate Bet scandal links

US

SCIENTIFIC GAMES COMPLETES BALLY TAKEOVER

\$5.1bn deal made official

Scientific Games Corporation has completed its acquisition of fellow supplier Bally Technologies in a deal worth \$5.1bn.

The agreement was able to go ahead after Bally's shareholders voted 99.61% in favour of the takeover last week – equivalent to approximately 77% of the total outstanding common stock eligible to vote as of 20 October – before final approval was granted by the Nevada Gaming Commission.

Scientific Games CEO Gavin Isaacs [pictured] said his firm was now "the most diversified global gaming and lottery supplier".

KEY POINTS

- Scientific Games completes Bally Technologies acquisition for \$5.1bn



Tweets of the week

"Ryan: "It was a pretty sophisticated scheme" if by sophisticated you mean "garden variety", then I concur. What exactly was your job as CEO?"

Writer/director Scott Bell on the Ultimate Bet scandal [\[@ElevenGrover\]](#)

"We now assume \$SGMS total Interactive Gaming revenue (Social + Real \$) will reach \$233m in revenue in CY15 and expand to \$300m by CY16"

Eilers Research [\[@EilersResearch\]](#) on Scientific Games Corporation

"\$361.1 million was bet on football in October at Nevada sports books. That's the most ever for one month, according to Gaming Control"

ESPN gambling writer David Payne Purdum [\[@DavidPurdum\]](#)

GUEST COLUMNIST

**“WHAT REAL-MONEY CAN
LEARN FROM FREEPLAY”**


by **Steven Matsell**
Game developer CEO

“Social gaming has for some time been seen by many in the real-money industry as an acquisition tool, particularly in emerging markets. The plan involves building up a free-to-play model and then cross-selling cash games, or even flipping the business, as and when regulation allows.

Social games can certainly educate players about style, feel and techniques in a casino environment, and, at the most basic level provide an introduction to the buttons and movement of the reels.

But critics have argued that the differences between the two industries is so extreme that the former is inadequate preparation for the latter. They point to the fact that winning is a far more regular occurrence in the social sphere that can never be replicated when real money is at stake. The bragging rights and peer assessment that drives players to join tournaments and league tables to demonstrate their perceived superiority is also alien to gamblers, many of whom prefer to keep quiet about their playing habits. And the rewards, unlocking of levels and levelling-up that ensure players don't lose interest and help create a competitive online community don't often feature among players who count their cash rather than tokens.

Yet I would argue that there is much real-money platforms can adopt that is

viable and constructive in both worlds, and can help with retention and revenue for real-money operators.

For example, the area that social does particularly well in is data collection and understanding behavioural economics. They realised early on that mining information is one thing, but using it to adapt marketing and communications is quite another. An in-depth knowledge of your customer base allows game makers to prolong play by hitting players with bonuses, status achievements and announcements at the right times. Social has long had its finger on the pulse of motivation and communication, which are two disciplines that real money can use to its advantage.

Real money is aware of the triggers that captivate players' attention and developers are experimenting in incorporating them. Games we supply at Leander now include features that let players collect coins and symbols that take players to the next level. These introductions take the player on a journey that encourages loyalty to characters and the particular game.

It's not a transition without trouble, however, as real money is somewhat handcuffed by having fewer tools in its locker and, arguably, most games don't command the same loyalty. For real money it's often a case of what games you deem lucky and unlucky.

Another element that real money can adopt from social is finding games that best suit the individual player. Some content is highly volatile and means you get into the free spins bonus round less often, but when reached there is potential for big wins. In contrast, some games employ a maths model with less volatility and awards constant popping to deliver a pleasant experience.

It makes sense when a player has an affinity to a particular game that they are introduced to similar style games again, especially when approaching the end of their expected lifetime. There is no reason why real-money operators should be presenting free spins on a game with a theme and maths model that doesn't suit individual interests solely because it's the latest release. It is better to develop a greater understanding of player trends as, with this established, it becomes easier to motivate your audience and develop loyalty.

Social benefits from a far larger number of concurrent players to leave a vast pool of information to analyse. Real money doesn't yet compete on size, but it can benefit from the techniques employed and refined within its rival.

Real-money platform scaling is a challenge but the sheer size of social gaming in markets like the US has enabled us to educate ourselves in this field. This comprehensive knowledge of their players allows them to create bespoke features to cater for their needs.

Real-money gaming still has much to learn in this sphere, but the future looks very positive if it is able to take the best elements from its successful counterpart and not just seek to replace it.”

Steven Matsell is CEO of game developer Leander Games

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