



Sponsored by

BETCONSTRUCT

THIS WEEK

- **DFS duo agree consumer protection settlement**
- **Affiliate ad results in warning for operators**
- **Philippines national operator details privatisation**
- **Guest Columnist: Dmitry Starostenkov, CEO, EvenBet Gaming**

WEEK 37

FRIDAY 15 SEP 2017

GLOBAL GAMING AWARDS 2017 SHORTLIST AVAILABLE!

Full shortlist of the Global Gaming Awards' finalists has now been released



The wait is over for the great and the good in the gaming industry, as the finalists for the Global Gaming Awards have now been revealed.

From the hundreds of submissions, a total of ten companies in each of the 12 categories has been chosen by a panel of gaming experts drawn from across verticals, disciplines and geographies. Competition for these coveted spaces was as intense as ever, and those that have made the grade can be rightly proud to be included on the list.

Our attention now turns to the judges, a team of 60 of the industry's most influential executives and experts, who will assess each of these finalists and appoint a winner in each category. Ensuring the continued integrity and value of these awards is essential, so the adjudication process will be overseen by long-term partner KPMG to ensure that the results are fair, impartial and beyond reproach. The GGAs are designed to recognise the very best companies and people across land-based and online gaming, and having the credence of a partner with KPMG's stature only adds to their value.

This year we have a fascinating mix of companies in the shortlist which can be read **online**, on **Apple AppStore** and on **GooglePlay**.

Several of last year's winners such as IGT and MGM are back to defend their titles against a raft of newcomers to the awards. The Digital Operator of the Year Award is wide open, with industry stalwarts and multiple award winners bet365 up against ▶

BETCONSTRUCT

COMPLETE GAMING PLATFORM

THIS WEEK IN NUMBERS



3

Number of Australian states that may ban Lottoland

3000+



Number of jobs created through the potential legalisation of sports betting in Minnesota

A \$1 BN

Estimated value of Australia's illegal gambling market

relative newcomers such as Lottoland and EnergyBet, while the competition for the Land-Based Product Award has never been hotter, with companies such as Aruze, Galaxy Gaming and Intralot all vying for the crown. You need look no further for evidence of the level of ingenuity in the gaming world than the nominations for the Digital innovation Award, where groundbreaking live casino products from Authentic Gaming square off against disruptive lottery games from Bit8.

The 12 winners will be announced at the glittering gala lunch ceremony in The Venetian in Las Vegas on 2 October, which will kick off the G2E show.

CLICK HERE TO READ THE SHORTLIST ONLINE

DRAFTKINGS AND FANDUEL AGREE \$2.6M SETTLEMENT

DFS firms fall foul of changing consumer protection regulations

Global daily fantasy sports heavyweights DraftKings and FanDuel have agreed a combined \$2.6m settlement with the Massachusetts Attorney General's office following a statewide investigation into allegations of consumer protection failings by both firms in 2015.

The Massachusetts Attorney General's office began a review of the business models of both firms in 2015, in order to better understand the various economic and consumer protection issues resulting from revised consumer protection standards in the state.

As part of the review, the Attorney General's office found that some participants in daily fantasy sports contests were inadequately protected and that better consumer protection regulations were required. These regulations were later introduced by the state of Massachusetts in July of 2016.

In an announcement late on Thursday night, both companies confirmed that they would pay \$1.3m each, with the money being used by the state for grant programs aimed at protecting consumers



CLASSIC TO CUTTING EDGE

Join Scientific Games this year as we unveil the best in gaming – from player-favorite classic titles showcased on our newest platforms, to the most innovative and cutting-edge technologies designed to enhance your entire operation – on the casino floor, behind the scenes, and beyond.



TwinStar V75



TwinStar J43[®] with iReels

Blazing 7's on TwinStar 3RM



Fusion Hybrid[™]

The MONOPOLY name and logo, the distinctive design of the game board, the four corner squares, the MR. MONOPOLY name and character as well as each of the distinctive elements of the board and the playing pieces are trademarks of Hasbro for its property trading game and game equipment. ©2017 Hasbro. All rights reserved. Used with permission. ©2017 Scientific Games Corporation.



37%



Revenue growth reported by Maryland casinos in August



Fraction of revenue that online sites accounted for in Belgium's total gambling take in 2015



The total number of online gaming licenses now granted in Portugal

and engaging young people in the use of technology.

Following the agreement of the settlements, Massachusetts Attorney General Maura Healey said: "I am glad to have reached these settlements to address various consumer issues that existed at the early stages of this new industry.

"We have since implemented a set of comprehensive regulations that provide consumers with broad-ranging protections and that have served as a model for many other states."

Both DraftKings and FanDuel have made significant changes to their business models in the wake of the investigation in respect of gameplay fairness, protections for minors, responsible gaming requirements, fairness in advertising, and data and funds security to bring these elements into full compliance with Massachusetts state regulatory requirements.

In a statement released following the settlement's publication, FanDuel spokesperson Justine Sacco said: "We have worked closely with the Massachusetts Attorney General's Office in their review of fantasy sports, including

their issuance of the first set of consumer protection regulations for our industry, which we were pleased to comply with since their inception in 2016."

Tim Parilla, general counsel for DraftKings praised the role of the Attorney General's office in improving regulations in Massachusetts, saying: "Over the last two years, the Attorney General's office has done an excellent job of working to fully understand DraftKings, our business and the fantasy sports industry.

"That expertise informed the Massachusetts regulations which have now become the national model for common sense, consumer-focused fantasy sports regulations."

888, SKY VEGAS, LADBROKES AND CASUMO CENSURED BY ASA OVER 'FAKE NEWS'

Advertorials found to be in breach of standards

Online operators 888, Sky Vegas, Ladbrokes and Casumo have been found guilty of breaching advertising standards rules surrounding so called 'fake news' advertorials targeting vulnerable people.

1ST

Tropicana Casino will be the first ever casino to open in the US state of Indiana

3.8%

Percentage that South Africa's global gaming revenue grew this year



The number of UK students who regularly gamble

A total of nine complaints were received by the Advertising Standards Authority (ASA) relating to advertisements on websites which suggested that gambling would provide an escape from personal problems including depression and that it could potentially be a solution to financial concerns.

The four near-identical ads tell the story of 'William' who was supposedly £130,000 in debt because of mounting medical treatment costs for his wife. Under the title 'On Their Wedding Night He Delivered a Secret She Wasn't Ready For. The Result Will Have You In Tears,' the article then goes on to claim that William discovered an advertisement for a gambling site which allowed him to win thousands of pounds, pay off his debts and take his wife on holiday to Bora Bora.

In the case of Sky Vegas, the ad states: "With little to no money to spend he admits he laughed and almost scrolled past it until he saw they were offering a promotion that would reward him with £10 free at the Jackpot 7 game, which at over £700,000 was too hard to pass up."

Advertisements appeared on the 24hournews and casinohacks websites,

which are known among industry circles to be providers of fake news which is commonly used to host affiliate links.

In all cases, the ASA found that the advertisements were deemed to "suggest that gambling can provide an escape from personal problems such as depression or that it can be a solution to financial concerns."

Responding to the rulings, Ladbrokes, Casumo and Sky Vegas all stated that the ads in question were generated by affiliates working with their brands and that they had not approved the advertising content in question. 888 stated that it had terminated its agreement with the affiliate found to have supplied the offending advertisement.

A spokesperson for Ladbrokes said: "Nobody in Ladbrokes Coral believes that this sort of 'fake news' marketing has a place in the sector. We have been reducing the number of affiliates we work with as well as clamping down hard on anyone using our name without our knowledge in a bid to curtail this sort of activity going forward."

The ASA ruling stated that "The ad must not appear again in its current form" and

interblock STADIUM

THE EVOLUTION OF TABLE GAMES

Operators can easily customize their floor space to meet players' needs by adding dealer assist, automated, video generators and/or live tables. Interblock's comprehensive Stadium solutions give casinos even more ways to deliver a premium player experience.



Visit us at the Global Gaming Expo
October 3 - 5 | Booth #1239

interblock
LUXURY GAMING PRODUCTS

www.interblockgaming.com



NUMBER OF GAMES **44**
 NUMBER OF JACKPOT GAMES **35**
 DESKTOP AND MOBILE GAMES **ALL**
 PRESENT **WORLDWIDE**
 DOWNLOADABLE APP

GAMEART LTD TRIQ SPINOLA 77, MALTA

CONTACT SALES@GAMEART.NET WEBSITE WWW.GAMEART.NET/GAMES

GAMEART

informed each company that its “future ads, including those prepared by affiliates, must be clearly identifiable as marketing communications and to take care to ensure their ads were prepared in a socially responsible way.”

With rising numbers of affiliate operators falling foul of regulatory restrictions surrounding their advertisements, many operators are tightening up their affiliate communications criteria to avoid potential fines and to enforce good codes of practice on their affiliates. A good example of this is sports betting operator Paddy Power, who recently issued revised communication criteria to their affiliates, clamping down on SMS, email and advertorial-style marketing containing the Paddy Power brand.

PHILIPPINES' PAGCOR PRIVATISATION TO BEGIN NEXT YEAR

Government moves to end conflict of interest for regulator

The Philippine government has announced plans to start the process of privatising 17 casinos currently being

operated by the state-run Philippine Amusement and Gaming Corporation (PAGCOR) next year.

In an interview with the Philippine Inquirer, Finance Secretary Carlos G. Dominguez III said that the government were currently in the process of determining the individual value of each casino, saying: “That should be one by one because every casino is very different from the other, and then, we’ll figure out the method of privatisation.”

No timescale has been set for the completion of the privatisation, with Dominguez adding: “It’s not going to happen overnight and the deals are quite complex so we have to piece it out and see what is the best deal for the government.”

In 2016, President Duterte told PAGCOR that it had to privatise its casinos to raise funds for state coffers, following concerns from private casino operators who suggested that there might be possible conflict of interest, as PAGCOR is both regulator and casino operator.

Over the past decade, PAGCOR has proven to be a very lucrative asset for the Philippine government. In the first

three months of this year, the regulator reported a rise of 26.75% in income from its gaming operations when compared to the same period of 2016, jumping to \$285.3m. As mandated by legislation, the firm paid over \$145m in tax revenue and contributions back to the government during this period.

PAGCOR has previously voiced concerns that the government could be set to lose as much as \$475m in revenue contributions each year as a result of casino privatisation. However, Dominguez remains unmoved by the body’s pleas, saying: “I don’t see how that will happen. First of all, how does a government-run casino compete with the privately run casinos? I think there is no way they can compete.

“If we don’t privatise, they might actually lose their customers. We might as well do it now. And the revenue stream, that’s why we have to analyse how much revenue come from their winnings as against how much of the revenues come from the fees that are being paid.

“And secondly, of course, it will remove the conflict of interest when you are the regulator as well.”



GO 2 EXPLORE

REGISTER ▶

DATA CENTRE

Provided by fantiniresearch.com 

AC REVENUES UP SAME-STORE

Atlantic City land-based casinos grew same-store revenues 3.49% in August while online gaming posted the best year-over-year revenue comparison since March, breaking a four-month skid for iGaming.

Caesars' properties posted its first revenue decline since February, as both properties declined.

Online poker revenues continued to decline in August, posting the sixth straight month of decline.

| Property | Revenue (\$m) | Year-over-year change | Table Hold | |
|------------------------------|---------------|-----------------------|------------|------|
| | | | 2017 | 2016 |
| Tropicana AC (TPCA) | \$33.643 | +11.61% | 13.0 | 17.5 |
| Borgata (MGM) | \$70.400 | +7.37 | 16.7 | 14.9 |
| Resorts | \$18.642 | +6.51 | 15.4 | 14.3 |
| Bally's AC (CZR) | \$20.954 | +0.23 | 17.5 | 18.3 |
| Caesars (CZR) | \$27.726 | -0.63 | 17.0 | 16.7 |
| Golden Nugget (Landry's) | \$19.936 | -2.34 | 13.8 | 19.1 |
| Harrah's (CZR) | \$32.257 | -3.95 | 12.9 | 19.9 |
| AC Total | \$223.558 | -2.71% | | |
| AC Same-Store | \$223.558 | +3.49 | | |
| Multiple property companies: | | | | |
| Caesars | \$80.937 | -1.77% | | |

US STOCK UPDATE

Below is a list of US gaming stocks that high 52-week highs this week:

| COMPANY | 52-WEEK HIGH AS OF WEDNESDAY |
|-----------------------|------------------------------|
| Churchill Downs | \$201.80 |
| Canterbury Park | \$12.25 |
| Eldorado | \$25.25 |
| Wynn | \$145.92 |
| MGM Growth Properties | \$31.68 |
| Boyd | \$26.79 |

| INTERACTIVE | Revenue (\$m) | Percentage Change | Share Percentage | Partner |
|--------------------------|---------------|-------------------|------------------|-------------------|
| Golden Nugget (Landry's) | \$5.191 | +49.63 | 24.4 | Betfair, GAN, NYX |
| Caesars Interactive | \$4.448 | +42.67 | 20.9 | 888, NYX |
| Tropicana | \$3.822 | +33.91 | 18.0 | Gamesys |
| Resorts Digital | \$3.524 | +21.69 | 16.6 | NYX, Amaya |
| Borgata | \$4.294 | +14.90 | 20.2 | Bwin, Pala |
| iGaming Total | \$21.279 | +32.38% | | |
| Casino | \$19.197 | +38.10% | | |
| Poker | \$2.082 | -4.19 | | |
| AC and iGaming total | \$244.837 | -0.42% | | |
| Same-Store: | \$244.837 | +5.49 | | |



Lead Partner

BET CONSTRUCT™

GLOBAL GAMING AWARDS 2017 SHORTLIST AVAILABLE!

TEN FINALISTS HAVE NOW BEEN CHOSEN TO REPRESENT THE GAMING INDUSTRY ACROSS THE FOLLOWING 12 CATEGORIES

Content Sponsor **KONAMI**

READ THE FULL SHORTLIST ONLINE!

CLICK HERE

LAND-BASED OPERATOR

Global gaming brands such as Hard Rock and MGM return to face new nominees Tiger Resort and Viejas Casino and Resort. The competition to be named the world's top brick-and-mortar operator has never been tougher

Sponsored by



DIGITAL OPERATOR

This category recognises the ten most successful operators in the fast-growing online sector, including regulars such as bet365 and Kindred Group, as well as new faces to the nominations EnergyBet and LeoVegas

Sponsored by



LAND-BASED PRODUCT

The casino technology landscape is a highly competitive one, so naming the ten products that have had the greatest impact on the industry has been an interesting journey. Merkur Gaming, Casino Technology and Aruze Gaming all feature in this category

Sponsored by



DIGITAL PRODUCT

Underpinning the success of any online operator are the platforms and games that delight players and drive revenue. From UltraPlay's cutting-edge eSports suite to the endearing world of NetEnt's Hansel & Gretel, there's some stiff competition to be crowned the winner

Sponsored by



CUSTOMER LOYALTY PROGRAM

In a saturated gaming market, the battle to retain customers has resulted in some fantastic innovation in customer loyalty programs. Land-based operators such as Boyd Casinos and Caesars Entertainment are up against online specialists Virgin Games in this hotly contested category

Sponsored by



DIGITAL ACQUISITION PROGRAM

This category recognises the very best in online marketing schemes, and it's not just the usual affiliate networks on show here; we also welcome to this list SEO experts Media Skunk Works and Rewards4Racing, a horse racing customer loyalty specialist

Sponsored by

ultraplay

LAND-BASED INDUSTRY SUPPLIER

As in previous years, slot machine manufacturers dominate this category, with a mix of companies from across the globe. Konami Gaming, Inc., Novomatic, IGT and Aruze Gaming have all made the Shortlist in 2017

Sponsored by

Agilysys

DIGITAL INDUSTRY SUPPLIER

The online gaming industry continues to thrive, and this would not be possible without the creativity and technical expertise of the B2B suppliers that support it. This category recognises the sterling work that companies such as Playtech, Yggdrasil and Kambi do to keep players coming back for more

Sponsored by



Ganapati Malta
LTD
A Ganapati Group Company

LAND-BASED GAMING INNOVATION

From the ground-breaking visual experience offered by IGT's SPHINX 4D™ to the arcade-inspired fun of Beat Square from Konami Gaming Inc., this category is solid proof that the land-based sector can constantly re-invent itself

Sponsored by

AuthenticGaming

DIGITAL GAMING INNOVATION

The wealth of online gaming options has created a constant need for new and innovative products, and nominees in this category such as Bit8's Lotto Hero, Forfeit Football from Konect Games and Cash-Out Roulette from Be The House all exemplify this

Sponsored by

NYX
GAMING GROUP

RESPONSIBLE BUSINESS

Businesses across the gaming industry have always recognised their duty to give back to their communities and players. In this category we celebrate the efforts of companies such as Sportradar, Caesars Entertainment and Gaming Laboratories International in championing this philosophy

Sponsored by

Microgaming

EUROPEAN EXECUTIVE

This year we look to the European leadership of the companies that have shown great results during 2016/17. IGT's Walter Bugno and Betfred's Fred Done are recognised alongside Angelo Dalli from Bit8 and Vladimir Dokov from EGT in this category

Sponsored by

SG
SCIENTIFIC GAMES

GUEST COLUMNIST:



DMITRY STAROSTENKOV
CEO, EVENBET GAMING

**ONLINE POKER:
A PHOENIX FROM THE FLAMES?**
*Reports of the death of online
poker have been very much
exaggerated; it is an industry in
flux, but one about to rise again*

It is no secret that online poker has experienced some difficult fortunes in recent times. Losing US players was a big hit to poker operators' bottom lines, and exiting such a significant market in 2011 was no doubt a hefty blow to those active in this segment.

However, there are definite signs that regulators may be beginning to wake up to what needs to take place in order to breathe life back into the vertical, and we are starting to witness signs of those changes taking place.

This summer, it was announced that the gaming authorities of France, Italy, Spain and Portugal were to sign an accord to facilitate the sharing of player pools between their regulated online poker markets. Coming together in Rome to put pen to paper on the historic agreement, the deal goes some way to solving one of online poker's greatest issues: liquidity.

Being a peer-to-peer game, online poker relies on player liquidity in a manner that online slots and sports betting do not. Ring-fenced poker markets and fragmented player pools have been a big factor in online poker's struggles over recent years. Combining four jurisdictions into one pot represents a big step in the right direction, and it is something that some of the industry's biggest operators are starting to sit up and take notice of.

It is also worth remembering that online poker's popularity is booming in Eastern Europe and the former CIS, with a growing player base offering a real opportunity to operators savvy enough to capitalise.

Time to play your hand

Online poker may never quite return to the fortunes of its heyday – at least until there are more encouraging signs that the USA might return to the fold. But positive notes, including the growth in liquidity sharing across Europe, underline that online poker can still be a strong and worthwhile part of an operator's offering to consumers.

A dedicated core of players remains, with online poker

delivering an immersive experience and level of player engagement that other verticals simply cannot match.

Retention is also an area poker can make a significant contribution to, particularly with the potential for cross-selling back and forth to an operator's casino and sportsbook products. In short, if players are looking for online poker, it may as well be on your site, with all the opportunities to cross sell into your other products that entails.

Being reactive to the needs of players and operating partners must be a cornerstone to the growth strategy of any prosperous technology provider in the online poker business. The liquidity-sharing arrangement penned by the French, Italian, Spanish and Portuguese regulators highlighted the awareness of jurisdictional authorities of the need to be reactive to the needs of players if online poker is to continue to succeed.

At EvenBet, we have recently introduced weekly update releases, with free lifetime updates available to our operating partners - without diving too deeply into the technical, what this allows us to do is identify and solve any issues with operator's online poker offering as soon as they occur, as well as constantly add new features to keep the product feeling fresh.

Our turnkey online poker platform allows operators to mirror this reactivity at every stage of the customer journey, and manage users, promotions, transactions and generate custom reports based on any criteria imaginable.

Managing customers and reacting to their needs efficiently and effectively are key markers of success in both sportsbook and online casino, and it is high time that the same were true for online operator's poker offerings if its potential is to be realised. Open APIs make the integration of our online poker solution into an operator's existing platform a simple and easily activated process.

At EvenBet Gaming we offer platform solution services in daily fantasy sports, online casino and sports betting, and have an experienced and expert team there to assist with integrations and support at any stage of the business lifecycle. Established in 2004, we have witnessed the highs and lows of online poker, and it is fair to say that seeds of potential are being sown across the vertical. It is vital that online poker operators now work closely with their platform providers to provide players with a service that suits them.

SEPT/OCT ISSUE OUT NOW

Click **HERE** to view

