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DICKINSON WRIGHT'S

GAMING **LEGAL**NEWS

BEYOND THE SLOT MACHINE: NEW BILL DIRECTS NEVADA'S GAMING REGULATORS TO CRAFT REGULATIONS TO ALLOW "HYBRID" GAMES

by Kate Lowenhar-Fisher, Jennifer Gaynor and Greg Gemignani

Nevada is the world's preeminent gaming destination. Not by chance, but by being a leader in gaming and entertainment innovations. Nevada was the first state in the nation to legalize gaming in 1931, the first to introduce the world to the "casino-resort" with the Mirage in 1989, and, more recently, the first state to license and regulate Internet gaming. Now Nevada legislators have given regulators the green light to allow for the state to take a leadership position in the new world of "hybrid" games.

What is a "hybrid" game? For those who follow gaming law, you know there are two types of games, skill games and games of chance. Then there are those games that fall somewhere on the spectrum between "pure skill" games and "pure chance" games. A "hybrid" game would be one where, by definition, the outcome will be determined by a combination of skill and chance – and possibly other factors (or "identifiers"), including frequency of play, use of other casino services or amenities, and use in combination with other technologies, such as social networking platforms like Facebook and Instagram.

The idea is to draw in a new generation of customers who relate to electronic skill-based game play and would be drawn to features such as bonus rounds that reward the skill of a player, integration of the games with their social media accounts, interactive networked game play, and the use of electronic commerce transactions.

Senate Bill 9 calls for the Nevada Gaming Commission to draft regulations allowing the development of such technology for gaming devices. The bill includes a policy directive and enhanced rulemaking authority to make it clear that Nevada's gaming regulators have the authority to both develop technical standards for such hybrid games and to allow incorporation of other technologies into gaming devices.

NEW LAW PROVIDES GAMING INDUSTRY WITH BROADER BACKGROUND INVESTIGATION POWERS

by Kate Lowenhar-Fisher, Jennifer Gaynor and Greg Gemignani

The Nevada Legislature has amended the state's consumer reporting laws to remove restrictions on the information a credit reporting agency may report to gaming operators. With the passage of Senate Bill 409, a credit reporting agency is no longer prohibited from reporting to gaming licensees information about a job applicant regarding bankruptcies older than ten years, other civil judgments older than seven years, and criminal convictions older than seven years.



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Sponsored by former Nevada Gaming Control Board Chairman Senator Mark Lipparelli, SB409 is aimed at allowing gaming operators to conduct more thorough background checks on prospective employees.

Federal law (15 U.S.C. § 1681c) prohibits a credit reporting agency from disclosing in an individual's credit report information related to a bankruptcy filing that is more than ten years old and certain other negative credit information, including reports of a civil judgment or criminal proceeding that is more than seven years old. Nevada Revised Statutes 598C.150 contained similar prohibitions.

However, the federal law provides for certain exceptions, including an exception for a credit report prepared in connection with the employment of an individual whose salary will be greater than \$75,000.

Senate Bill 409 creates a similar exception in Nevada state law for a credit report prepared for a gaming licensee in connection with a person who is seeking employment with the licensee or employment in a position connected directly with the licensee's operations.

The bill also removes the prohibition against disclosing a record of conviction of a crime which is more than seven years old, meaning that there is no limitation of time for which such a record may be disclosed.

These changes are effective upon bill passage, which means that those seeking positions in Nevada's gaming industry should be aware that this information will be made available to their prospective employer and take extra care to proactively disclose all bankruptcies, civil judgments, and criminal proceedings, no matter the age of the event.

CANADIAN GAMING SUMMIT LESS THAN ONE MONTH AWAY

This year's Canadian Gaming Summit, which is advertised as Canada's premier annual conference and exhibition for gaming professionals, will take place at Caesars Windsor from June 16-18.

The Canadian Gaming Summit has educational programs, a trade show, networking events, an annual awards program, and a charity reception.

Dickinson Wright attorneys have integral roles organizing and participating in the legal and regulatory educational programs.

Michael Lipton, from Dickinson Wright's Toronto office, is the current co-chair of the legal and regulatory track and is moderating an antimoney laundering panel and an iGaming panel. Bob Stocker, from Dickinson Wright's Lansing office, is joining Michael on the iGaming panel.

Kevin Weber, from Dickinson Wright's Toronto office, is moderating a panel discussion of problem gambling lawsuits. Thomas McNeill, from Dickinson Wright's Detroit office, will be participating on that panel.

Jack Tadman, from Dickinson Wright's Toronto office, will be moderating a panel on the legality of fantasy sports. Greg Gemignani, from Dickinson Wright's Las Vegas office, will be participating on that panel.

At the 2011 Canadian Gaming Summit, Michael Lipton received the Canadian Gaming Association's lifetime achievement award in recognition of his contributions to the Canadian gaming industry.

The Canadian Gaming Summit is well attended by regulators, operators, and suppliers. It is an excellent way to make introductions and network with prominent stakeholders in the Canadian gaming industry.

BILL C-290 LOSING STEAM

by Michael D. Lipton, Q.C., Kevin J. Weber and Jack Tadman

Bill C-290 is a private member's bill which would alter the Canadian Criminal Code to allow for provincial lottery corporations to offer single-game sports betting.

Despite passing through the House of Commons unanimously, Bill C-290 has been held up by the Canadian Senate since 2012.

In January 2015, Kathleen Wynne, the Premier of Ontario, and Ontario's Finance Minister Charles Sousa, spoke publicly in favour of passing Bill C-290.

Senator Bob Runciman, a supporter of Bill C-290, said in a May 2015 interview with CBC News that "he would be surprised" if Bill C-290 was passed.

According to Senator Vern White, who is opposed to passing the bill, passing Bill C-290 is not a priority of the Senate and there may not be enough support within the Senate to pass it.

If the Bill is not passed prior to the Canadian elections, which are tentatively scheduled for October 19, 2015, Bill C-290 must be reintroduced into the House of Commons and essentially start from the beginning.

