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# The \_\_\_\_\_ MICHIGAN GAMING \_\_\_\_\_ Newsletter

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## GLOBAL GAMING EXPO OPENS IN LAS VEGAS

On Tuesday, November 13, the 2007 Global Gaming Expo (“G2E”) opened at the Las Vegas Convention Center in Las Vegas, Nevada. The G2E, which is the largest gaming industry trade show and conference event, will run from today through Thursday, November 15, 2007. Over 30,000 gaming industry professionals are expected to attend the show, with attendee registration up approximately 7.7% over the 2006 G2E.

The 330,000 square foot G2E show floor will feature more than 750 exhibitors presenting the latest products and services for the industry. The show also includes “F&B at G2E”, an event which focuses on the casino food and beverage industry.

In addition to the trade show, the G2E will feature more than 140 conference sessions and panel discussions featuring industry experts, governmental leaders and policymakers. The conference portion of the G2E began on Monday, November 12 with the G2E Training and Development Institute and the G2E Leadership Academy, consisting of a number of panel discussions offered to provide training in key industry areas such as gaming technology, Indian gaming, law and regulation, and security/surveillance.

The G2E will also feature a number of well-known keynote speakers, including:

- Frank Deford, Emmy-Award winning sportswriter and radio/TV commentator
- Alfonse D’Amato, former New York Senator and current chairman of the Poker Players Alliance
- Frank Fahrenkopf, president and CEO of the American Gaming Association
- Terri Lanni, chairman and CEO, MGM Mirage
- Gary Loveman, chairman, president and CEO, Harrah’s Entertainment, Inc.
- Ernie Stevens, Jr., chairman of the National Indian Gaming Association.

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## **INTERNET ENFORCEMENT PANEL DISCUSSES LATEST DEVELOPMENTS**

On Monday, as part of the G2E Training and Development Institute, an expert panel discussed the latest developments that will impact the Internet gaming industry. Panelists, Professor Nelson Rose, Poker Players Alliance Executive Director John Pappas, and Moderator Attorney David Waddell all agreed that the recently passed federal regulations relating to the Unlawful Internet Gambling Enforcement Act (“UIGEA”) do very little to clarify the steps that need to be taken by financial institutions that act as payment processors. Panelist Nelson Rose noted that rather than providing clear guidance with regard to the systems that payment processors will need to follow, the federal government “punted”, shifting the burden onto the industry to develop the necessary systems.

Professor Rose suggested that the new regulations, if they remain unchanged, will likely result in payment processors refusing to process all forms of Internet gambling transactions, even those that are clearly legal activities such as intra-state wagering on horse racing. He also predicted that the regulatory change will lead to a significant loss of revenue to United States based payment processors, with international processors becoming increasingly prevalent.

John Pappas gave an update on federal legislative efforts to change the law to allow on-line poker playing. The Poker Players’ Alliance held a recent “fly-in” event in Washington D.C. that drew widespread attention from legislators and the media. He also noted that a House Judiciary Committee is holding a hearing on Wednesday of this week to further discuss the topic. Poker Player Annie Duke will be testifying to the Committee on the popularity of poker.

David Waddell noted the increasing pressure that is coming from international trade partners, such as Antigua, Barbuda, and the European Union to allow foreign Internet gambling sites to compete. Earlier this month, European Trade Commissioner Peter Mandelson was in Washington D.C. urging the United States to change the anti-gambling laws which discriminate against Europe. Professor Rose noted that Antigua is threatening not to enforce U.S. based companies’ intellectual property rights, and noted that the prospect of the country selling Windows software packages at a steep discount raises concerns for companies such as Microsoft.

The panel session concluded with a lively discussion

with some members of the audience suggesting that the Poker Players Alliance may want to consider seeking legalization at a state level, rather than a federal level, to accomplish its goal quicker. Panelist David Waddell suggested that from a compliance perspective, it was difficult for him to ever perceive a gaming regulator approving Internet poker playing in an individual state if the Department of Justice persists in its position that such gaming violates the federal Wire Act. Thus, Mr. Waddell suggested that a change in the position of the federal government will be necessary for the concept to move forward.

## **EXPERT PANEL DISCUSSES CASINO CREDIT POLICIES**

Another panel discussion at the G2E Training and Development Institute on Monday, November 12 focused on the development and implementation of a casino credit policy. The panel speakers included Bruce Dall, Chief Financial Officer of MotorCity Casino, Al Zayas, the Director of Cage/Credit & Collection Operations at the Cache Creek Casino Resort in Brooks, California, and George Connors, the Vice President of Sales for Certegy Gaming Services. This panel, entitled “Giving Them Credit: Developing a Sound Casino Credit Policy”, was moderated by Doug Minke of Regulatory Management Counselors, P.C.

The panel presentation began with Bruce Dall and Al Zayas discussing the design of a casino credit policy, focusing on compliance with the rules and regulations of the relevant state gaming board and/or the National Indian Gaming Commission, depending on the casino licensee. Mr. Zayas discussed his experiences in designing and implementing a new credit policy at a tribal casino which previously did not offer casino credit.

Likewise, Mr. Dall shared his experiences in evaluating patron credit requests, credit line increase requests, and some industry “rules of thumb” that should be followed in making these decisions.

George Connors discussed how an outside financial transaction company which offers cash advance and check cashing services can complement the offerings of a casino credit department. Mr. Connors also noted that though check casing is on the decline in the retail sector, check cashing volumes are actually growing in the casino gaming sector. Finally, Doug Minke spoke as to when a casino licensee should utilize the services of an outside collection firm or law firm in the

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collection of outstanding gaming debts.

Following the panel discussion, the experts answered credit questions from the audience, sharing additional insight as to the unique issues faced by the employees of a casino credit department.