



**MASSACHUSETTS GAMING COMMISSION  
PUBLIC MEETING #170**

November 19, 2015  
10:30 a.m.

**Massachusetts Gaming Commission**  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA



Massachusetts Gaming Commission



## **NOTICE OF MEETING and AGENDA**

**November 19, 2015**

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

**Thursday, November 19, 2015**

**10:30 a.m.**

**Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA**

### **PUBLIC MEETING - #170**

1. Call to order
2. Administration – Karen Wells, Interim Executive Director
  - a. General Update
3. Ombudsman – John Ziemba
  - a. Plainridge Park Casino Quarterly Report
  - b. MGM Springfield Update
4. Legal Division – Catherine Blue, General Counsel
  - a. Licensee Request for Non-Disclosure Agreement – T. Grossman, Deputy General Counsel
  - b. Regulation 205 CMR 129 which addresses the Transfer of a Gaming License – First Draft – T. Grossman, Deputy General Counsel
  - c. Yearly Election of Massachusetts Gaming Commission Secretary and Treasurer
5. Workforce, Supplier and Diversity Development – Jill Griffin, Director
  - a. Definition of a Veteran – Commissioner Stebbins
6. Fantasy Sports Update – Chairman Crosby
7. Investigations and Enforcement Bureau – Karen Wells, Director
  - a. Slot Machine Leasing Discussion – L. Lillios, Chief Enforcement Counsel



**Massachusetts Gaming Commission**

- 8. Research and Responsible Gaming – Mark Vander Linden, Director
  - a. 2016 Research Agenda

- 9. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as “Gaming Commission Meeting” at [www.massgaming.com](http://www.massgaming.com) and emailed to: [regs@sec.state.ma.us](mailto:regs@sec.state.ma.us), [melissa.andrade@state.ma.us](mailto:melissa.andrade@state.ma.us).

11/12/15  
(Date)

  
Stephen P. Crosby, Chairman

**Date Posted to Website:** November 17, 2015 at 10:30 a.m.



Massachusetts Gaming Commission

**No Documents**

# Plainridge Park Casino

Report to the Massachusetts Gaming Commission

Q3 2015



PLAINRIDGE PARK  
CASINO

# Employment

As of September 30, 2015:

|        | Employees | Full-time | Part-time |
|--------|-----------|-----------|-----------|
| Totals | 575       | 408       | 167       |
|        | 100%      | 71%       | 29%       |

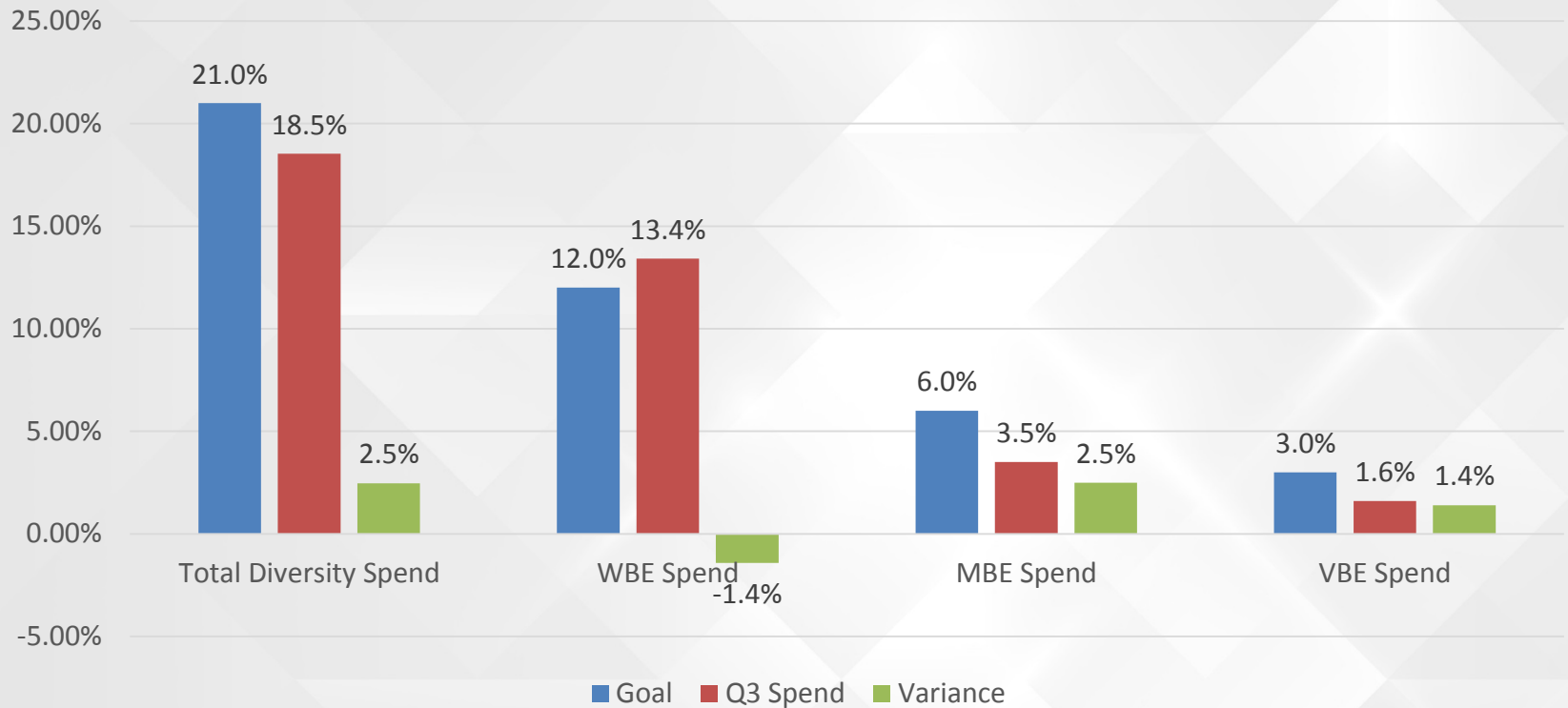
Diversity is at 16% vs. goal of 10%

Veterans at 2.4%



# Vendor Diversity Spend

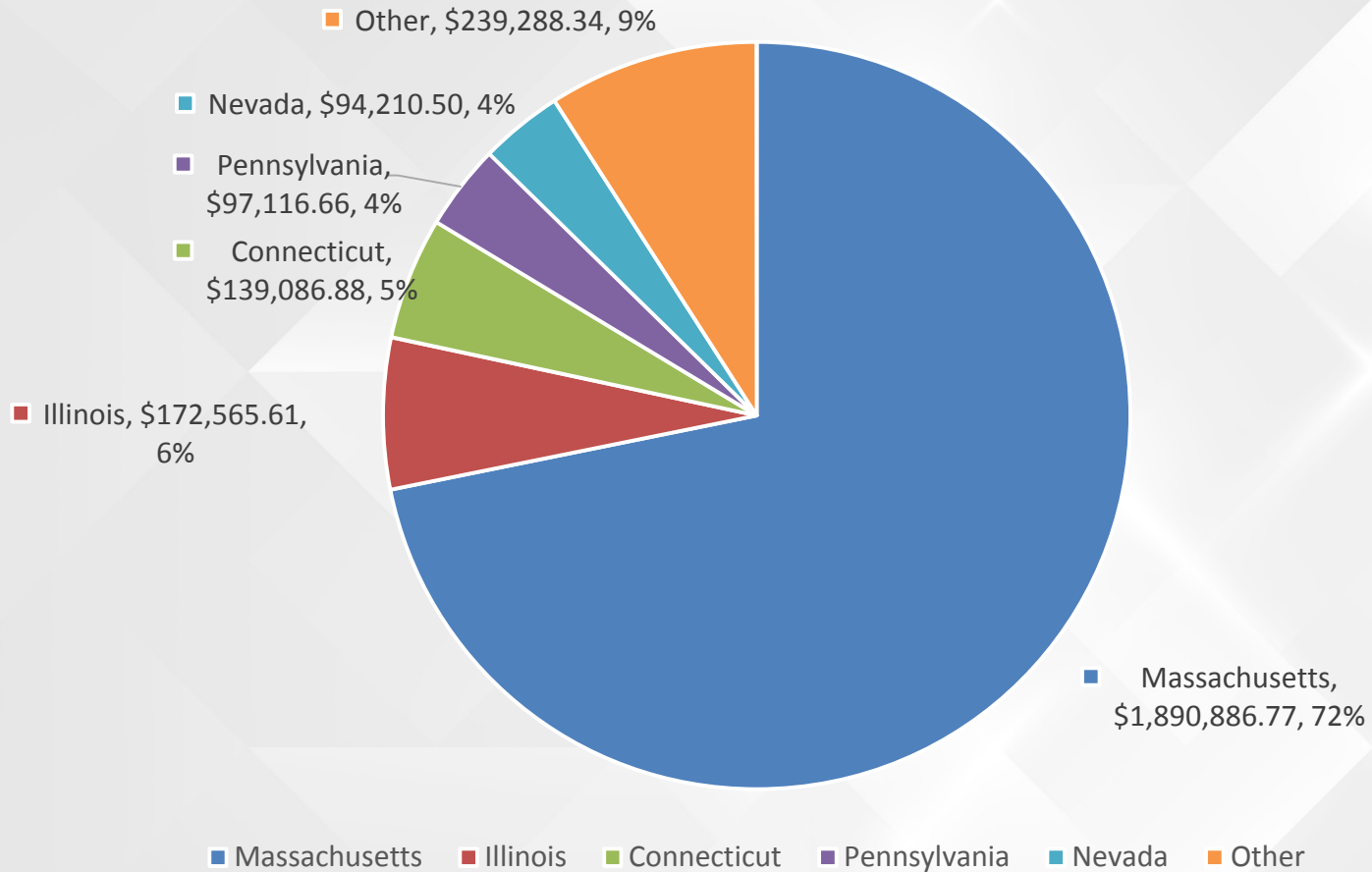
Q3 2015



PLAINRIDGE PARK  
CASINO

# Local Spend

Total Q3 Spend: \$2,633,154.76





# Diversity Spend Action Plan

- At least one qualified WBE/MBE/VBE vendor will be invited to participate in each bid.
- Commodities lacking sufficient qualified vendors will be the primary focus to locate new suppliers that support our diversity goals.
- Diversity suppliers will be given a 5% consideration over competitive bids up to \$10k.
- PPC will continue to attend minority and diversity supplier events in search of new vendors as well as support the organizations that host the events.
- Create a Diversity Committee on property to promote the program, gain leads, and represent PPC at events. The committee will include employees as well as qualified vendors.



# Revenue & Taxes

through September 30, 2015

| Month     | Revenue          | Taxes @ 49%      |
|-----------|------------------|------------------|
| July      | \$ 18,155,783.80 | \$ 8,896,334.09  |
| August    | \$ 15,228,050.58 | \$ 7,461,744.78  |
| September | \$ 12,625,157.80 | \$ 6,186,327.32  |
| Totals    | \$ 46,008,992.18 | \$ 22,544,406.19 |



# Compliance with Regulations

- Procedures for 71 sections of gaming regulations
  - Revise internal controls as needed to reflect best practices/current procedures
  - Communication with on-site supervising agents
- Stats for underage youth and complaints presented last week



# Compliance with Agreements

## Host Community

Q3 Community Impact Fee of \$25,000 paid July 1

## Surrounding Communities

Charitable contributions of > \$100,000

Completed baseline traffic and crime studies

## MA Office of Travel & Tourism

Kiosk installed at valet entrance in October



# Compliance with Agreements, continued

## MA Community College Casino Career Institute

Surveillance certification curriculum at BCC

Responsible alcohol service training (TiPS)

## Lottery (as of October 3, 2015)

Online sales (e.g., Keno) \$ 198,225.75

Instant ticket sales \$ 427,463.00

Total lottery sales \$ 625,688.75



# Company Overview

- Strong financial position
  - Able to meet payroll, payments of winning wagers, and other obligations
  - All state, local and federal taxes have been paid
- Customer service satisfaction survey results improving month-over-month
- Operationally becoming more efficient
  - Jackpot processing time
  - Wait times at Player Services
- No issues with traffic or parking since opening week



# Events & Promotions

## 3<sup>rd</sup> Quarter

Cadillac giveaway

Pro Football Challenge

Jackpot Frenzy

U-Spin

## 4<sup>th</sup> Quarter

Audi A6 giveaway

Snow Blower Blowout

Slot Tournament

Wicked Wild Winning

New Year's Eve



# Current Projects

- Central Monitoring System – complete late November
- Intercept Detection System – updated mid-October
- Play Management – install early Q1 2016





**No Documents**



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## MEMORANDUM

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TO: Massachusetts Gaming Commission  
FROM: Todd Grossman- Deputy General Counsel  
CC: Catherine Blue- General Counsel  
RE: Non-Disclosure Agreements with gaming licensees  
DATE: November 19, 2015

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This memorandum will address the process by which the Massachusetts Gaming Commission (“Commission”) may enter into Non-Disclosure Agreements (“NDA”) with gaming licensees. In accordance with G.L. c.23K and 205 CMR gaming licensees are required to submit a wide array of information and materials to the Commission, much of which is of a sensitive nature. The law recognizes this sensitivity and contains a statutory exemption to the Public Records Law designed to address this issue. See G.L. c.23K, §21(a)(7) via G.L. c.4, §7(26)(a). The exemption provides as follows:

Each gaming licensee shall make readily available all documents, materials, equipment, personnel and any other items requested during an investigation; provided, however, that material that the gaming licensee considers a trade secret or detrimental to the gaming licensee if it were made public may, with the commission's approval, be protected from public disclosure and the gaming licensee may require nondisclosure agreements with the commission before disclosing such material ... .

For ease of reference, the Commission previously identified the vast majority of information and materials that are required to be submitted to the Commission and/or maintained by the gaming licensee, and created a mechanism under which the gaming licensee may seek protection of those materials from public disclosure prior to submission. See 205 CMR 139.00: *Continuing Disclosure and Reporting Obligations of Gaming Licensees*. The process is described as follows:

All documents submitted by a gaming licensee or obtained by the commission in accordance with 205 CMR 139.00 shall be deemed to have been submitted pursuant to a gaming related investigation to ensure compliance with M.G.L. c. 23K and 205 CMR, adherence to the principles articulated in M.G.L. c. 23K, § 1, and/or to ensure the ongoing suitability of gaming licensees in Massachusetts. Accordingly, pursuant to M.G.L. c. 23K, § 21(a)(7) any information or reports, or parts thereof, that are required to be filed or otherwise submitted to or obtained by the commission, the IEB, or their respective agents, in accordance with 205 CMR 139.00 that contain material or information that the gaming licensee considers a trade secret or believes would be detrimental to the gaming licensee if it were made public may be identified



Massachusetts Gaming Commission

as confidential by the gaming licensee. Pursuant to M.G.L. c. 23K or 205 CMR 139.00 the gaming licensee may request that the commission enter into a written nondisclosure agreement under the terms of which the commission agrees not to release the specified material or information publicly, in response to a request for public records or otherwise, and will assert the statutory exemption, M.G.L. c. 4, §7(26)(a), and/or any other applicable exemptions, and withhold the applicable materials in response to any request for such record or information. The agreement may provide for coverage for specific materials or information, or categories of materials or information, which will be, or are likely to be, submitted to or obtained by the commission on more than one occasion. A request for a non-disclosure agreement shall be on a form provided by the commission. Upon review of the gaming licensee's request, the commission may execute such an agreement in its discretion. In lieu of withholding a record in its entirety, the gaming licensee and the commission may agree that the material or information be publicly released in a redacted form, an aggregated fashion, or in other agreed upon manner. Nothing contained in 205 CMR 139.02, nor in an executed non-disclosure agreement, shall be construed so as to prevent the commission from making use of any information or material as part of an investigation, disciplinary matter, or otherwise as deemed necessary by the commission.

#### 205 CMR 139.02.

The accompanying application has been crafted in furtherance of this provision as a means to streamline the request process. Additionally, a draft of a resultant NDA between the Commission and gaming licensee is attached. In addition to any comment on the application or draft NDA, guidance is sought as to how the Commission envisions the review process unfolding. That is, whether it is the Commission's desire to review each request for a NDA at a public meeting or otherwise, or to delegate such review, in whole or part, to Commission staff.



## MASSACHUSETTS GAMING COMMISSION

PLEASE SUBMIT THIS FORM TO:  
MASSACHUSETTS GAMING COMMISSION  
ATTENTION: OFFICE OF THE GENERAL COUNSEL  
101 FEDERAL STREET, 13<sup>TH</sup> FLOOR  
BOSTON, MA 02110

OR VIA EMAIL TO: [catherine.blue@state.ma.us](mailto:catherine.blue@state.ma.us) and [todd.grossman@state.ma.us](mailto:todd.grossman@state.ma.us)

### REQUEST FOR NON-DISCLOSURE AGREEMENT (NDA)

Pursuant to 205 CMR 139.02 a gaming licensee may request that the Commission enter into a written NDA under the terms of which the Commission agrees not to release specified material or information publicly, in response to a request for public records or otherwise, and will assert the statutory exemption, M.G.L. c.4, §7(26)(a), and/or any other applicable exemptions, and withhold the applicable materials in response to any request for such record or information. Upon review of the gaming licensee's request, the Commission may execute such an agreement in its discretion. A specific request and rationale must be provided for each piece of information or category of information for which an NDA is sought. Please complete the following.

#### BACKGROUND INFORMATION

1. NAME OF GAMING LICENSEE
2. NAME AND TITLE OF INDIVIDUAL SUBMITTING REQUEST FOR NDA
3. PHONE # AND EMAIL ADDRESS OF INDIVIDUAL SUBMITTING REQUEST FOR NDA

#### IDENTIFICATION OF INFORMATION

Please complete the following for each document, report, piece of information, or category thereof for which you seek a NDA:

1. IDENTIFY INFORMATION (MAY BE A SPECIFIC DOCUMENT, REPORT, PIECE OF INFORMATION, OR CATEGORIES THEREOF) (e.g.- the quarterly report describing the gaming licensee's financial position including key performance measures, narrative commentary on operating results, and where applicable, the capital reserve account contributions)
2. IDENTIFY SECTION OF 205 CMR 139.00 THAT REQUIRES SUBMISSION OF THE SUBJECT MATERIAL
3. EXPLAIN HOW YOU BELIEVE THE SUBJECT MATERIAL CONTAINS A TRADE SECRET(S) OR WOULD BE DETRIMENTAL TO THE GAMING LICENSEE IF IT WERE MADE PUBLIC:
4. FREQUENCY INFORMATION IS REQUIRED TO BE SUBMITTED:

5. SEEKING NDA ON ONE-TIME OR CONTINUING BASIS?  one time  continuing

6. IS THERE A WAY TO REDACT THE DOCUMENT OR AGGREGATE THE INFORMATION THAT WOULD ALLOW FOR PUBLIC RELEASE OF REMAINDER OF DOCUMENT?

**CERTIFICATION**

*On behalf of the aforementioned gaming licensee, I hereby certify under the pains and penalties of perjury that all information contained in this application or attached hereto is accurate to the best of my knowledge and understanding. Further, I represent that I have actual authority to submit this application.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**FOR COMMISSION USE ONLY**

REVIEWED BY: \_\_\_\_\_

DATE REVIEWED: \_\_\_\_\_

APPROVED

DENIED

APPROVED IN PART

NOTES/EXPLANATION:



# NONDISCLOSURE AGREEMENT

## PURSUANT TO 205 CMR 139.02

This Nondisclosure Agreement (hereinafter, "Agreement") is dated as of \_\_\_\_\_ 20\_\_\_\_, between the Massachusetts Gaming Commission (hereinafter, "Commission"), and \_\_\_\_\_, (hereinafter, "gaming licensee").

### RECITALS

**WHEREAS**, all documents submitted by a gaming licensee to the Commission or obtained by the Commission in accordance with 205 CMR 139.00 have been deemed by the Commission to have been submitted pursuant to a gaming related investigation to ensure compliance with G.L. c. 23K and 205 CMR, adherence to the principles articulated in G.L. c.23K, §1, and/or to ensure the ongoing suitability of gaming licensees in Massachusetts; and

**WHEREAS**, pursuant to M.G.L. c.23K, §21(a)(7) any information or reports, or parts thereof, that are required to be filed or otherwise submitted to or obtained by the commission, the IEB, or their respective agents, in accordance with 205 CMR 139.00 that contain material or information that the gaming licensee considers a trade secret or believes would be detrimental to the gaming licensee if it were made public may be identified as confidential by the gaming licensee; and

**WHEREAS**, pursuant to M.G.L. c.23K, §21(a)(7) , 205 CMR 103.08, and 205 CMR 139.02 the gaming licensee may request that the commission enter into a written nondisclosure agreement under the terms of which the commission agrees not to release the specified material or information publicly, in response to a request for public records or otherwise, and will assert the statutory exemption, M.G.L. c.4, §7(26)(a), and/or any other applicable exemptions, and withhold the applicable materials in response to any request for such record or information; and

**WHEREAS**, the agreement may provide for coverage for specific materials or information, or categories of materials or information, which will be, or are likely to be, submitted to or obtained by the commission on more than one occasion;

**NOW THEREFORE**, the Commission and the gaming licensee agree to the following:

1. **Subject Information and Materials.** This agreement shall apply to the following information and materials:

| INFORMATION/MATERIAL | AUTHORITY (G.L., CMR, license condition, etc.) |
|----------------------|--|
|                      |  |
|                      |  |
|                      |  |

2. **Approval of Designation.** The gaming licensee has declared by way of application that it considers the information and materials identified in paragraph 1 above to contain a trade secret and/or that it would be detrimental to the gaming licensee if those materials were made public. The Commission agrees that the information and materials constitute a trade secret and/or that it would be detrimental to the gaming licensee if that information and material were made public and are entitled to confidential treatment under 205 CMR

103.00 and 139.02 and agrees to enter into this agreement in an effort to protect the information and materials from public disclosure.

3. **Identification of Information and Materials.** The gaming licensee agrees to clearly mark all information and materials subject to this agreement that are submitted to the Commission with the letters “NDA-CONFIDENTIAL” and to include, where possible, a cover page with the submission indicating that the information and materials are subject to this Agreement.
4. **Requests for Public Records.** The Commission agrees that it will not voluntarily publicly disclose any information or materials that are the subject of this agreement whether by way of a response to a request for public records or otherwise. In the event that the Commission receives a request for the disclosure of any such materials or information it will deny the request, withhold the materials, and assert the statutory exemption, G.L. c.4, §7(26)(a), and/or any other applicable exemptions to the public records law.
5. **Notification and Waiver.** The Commission will make reasonable efforts to notify the gaming licensee of any request for the public disclosure of any information or materials that are the subject of this agreement. Notwithstanding this agreement, the gaming licensee may, by written approval, agree to the public release of any such information or materials in response to a public records request or upon request by the Commission.
6. **Use by the Commission.** Nothing contained in this agreement shall be construed so as to prevent the Commission from making use of any information or material provided by the gaming licensee or otherwise as part of an investigation, disciplinary matter, or in any other manner deemed necessary by the Commission.
7. **Liability.** The Commission will utilize best efforts and employ all reasonable measures to ensure that any information or materials that are the subject of this agreement are not publicly disclosed. In the event of a public release in violation of this Agreement, however, the gaming licensee agrees to hold harmless the Commonwealth of Massachusetts, the Commission, its employees and agents, in either professional or personal capacities from liability and any claims for damages of any kind.
8. **Disclosures to Governmental Entities.** It shall not be a breach of this Agreement for the Commission to provide information as directed by an order of any court or governmental agency of competent jurisdiction. If the Commission determines that it is legally obligated to disclose information or materials that are the subject of this Agreement, the Commission will promptly provide the gaming licensee with written notice to so that it may seek a protective order or take any other action deemed necessary. Such notice must include, without limitation, identification of the information to be so disclosed and a copy of the order. The Commission will disclose only such information as is legally required, and will notify the court or governmental agency of the existence of this Agreement.
9. **Subpoenas.** In the event the Commission is served with a subpoena or other process for any information or materials that are the subject of this Agreement, the Commission shall promptly notify the gaming licensee in writing and forward a copy of the subpoena in order that the gaming licensee may initiate efforts to quash the subpoena or otherwise oppose production of such information or materials. However, while the Commission itself may elect to do so, it shall be under no obligation to file any motion to quash or otherwise oppose the request for production.
10. **Modification and Amendment.** This Agreement may be amended or modified only with the mutual written consent of the parties. The Commission may revisit the Approval of Designation for any information or material included in accordance with paragraph 2 of this Agreement and 205 CMR 103.12 at its discretion. Further, the Commission may require, after review of submitted information and documentation or otherwise, the Agreement be modified if it determines that specific information or materials submitted or to be submitted are not clearly addressed in paragraph 1 of this Agreement.
11. **Cumulative Obligations.** This agreement is intended to supplement and clarify the Commission’s obligations under the Public Records laws of the Commonwealth, G.L. c.66, §10. Nothing in this agreement shall be interpreted so as to supersede such obligations.
12. **Entire Agreement.** This Agreement constitutes the entire agreement between the Commission and the gaming licensee relating to the matters discussed herein and supersedes all prior oral and written understandings with respect to the provision of such information or materials.

13. **Term and Termination.** This Agreement shall remain in place until otherwise terminated.
14. **Non-waiver.** Any failure by either party to enforce the other party's strict performance of any provision of this Agreement will not constitute a waiver of its right to subsequently enforce such provision or any other provision of this Agreement.
15. **Governing Law; Etc.** This Agreement will be governed by the laws of the Commonwealth of Massachusetts. If a provision of this Agreement is held invalid under any applicable law, such invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision. Further, all terms and conditions of this Agreement will be deemed enforceable to the fullest extent permissible under applicable law, and, when necessary, the court is requested to reform any and all terms or conditions to give them such effect.
16. **Dispute resolution.** The parties agree to engage in all reasonable efforts to resolve any disputes arising from this Agreement by mutual agreement. In the event the parties are unable to resolve such a dispute, a neutral single arbitrator shall be engaged to resolve the matter.

The parties have executed this Agreement on the date first written above.

| <u>GAMING LICENSEE</u>   | <u>MASSACHUSETTS GAMING COMMISSION</u> |
|--------------------------|--|
| Name of gaming licensee: | By:                                    |
| By:                      | Print Name:                            |
| Print name:              | Title:                                 |
| Title:                   |  |



205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 102.00: CONSTRUCTION AND APPLICATION

102.02: Definitions

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Chair is defined in M.G.L. c.23K, §2.

Change of control means a transfer of interest which directly or indirectly results in a person obtaining greater than fifty percent ownership interest in a gaming licensee or any circumstance which results in, or is likely to result in, significant change to the management or operation of a gaming licensee.

Cheat is defined in M.G.L. c.23K, §2.

DRAFT

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 116.00: PERSONS REQUIRED TO BE LICENSED OR QUALIFIED

116.08: Notice.

- (1) No person shall transfer, or enter into an agreement to transfer, a gaming license, a direct or indirect interest in the gaming license, or a gaming establishment including the structure, real property, premises, facility, personal interest or pecuniary interest under a gaming license or enter into an option contract, management contract or other agreement or contract providing for such transfer in the present or future, or enter into an agreement granting the retention of a security interest in property delivered to the gaming licensee without prior notification to the bureau.
- (2) Notwithstanding 205 CMR 116.08(1), the following transfers do not require prior notification to the bureau:
  - (a) The open market transfer of a publicly traded interest in a gaming licensee, or holding, parent or intermediary company of a gaming licensee where such transfer results in the transferee holding less than a 5% interest in the holding, parent or intermediary company.
  - (b) The granting of a security interest in return for financing to a bona fide banking institution, as defined in M.G.L. c. 167A, §1, or a commercial financial institution as defined in M.G.L. c.63, §1, so long as the bona fide banking institution or the commercial financial institution does not, by virtue of its security interest, possess the ability or intention to influence or affect the affairs or operations of a gaming licensee or applicant or qualifier for a gaming license. The gaming licensee, applicant, or qualifier shall at a minimum, however, provide notice of the transaction promptly to the bureau upon its consummation.

116.09: Approval.

- (1) Any transfer for which notice is required under 205 CMR 116.08 that results in a new qualifier being designated in accordance with 205 CMR 116.02 must be approved by the commission in accordance with 205 CMR 115.00 which approval shall be subject to the satisfaction of 205 CMR 129.01. Notwithstanding the provisions of M.G.L. c.23K, §21(b)(ii), the commission shall not assess a payment solely for the transfer, but a transferor or transferee shall be responsible for the payment of all investigatory and other fees provided for in 205 CMR 114.00: *Fees*.
- (2) The commission may reject any transfer requiring approval pursuant to 205 CMR 116.09(1) that it finds would be disadvantageous to the interests of the Commonwealth of Massachusetts. A transfer may be considered disadvantageous to the interests of the Commonwealth if the commission determines that the proposed transferee does not satisfy

the applicable considerations set forth in M.G.L. c.23K, §§12, 15, 16, and/or 18, as applicable, 205 CMR 115.00, or any other applicable provisions of M.G.L. c.23K or 205 CMR, and/or the transferee does not satisfy the provisions of 205 CMR 129.01.

- (3) Pursuant to M.G.L. c. 23K, §20(e), the commission shall not approve the transfer of the category 2 gaming license for 5 years after the initial issuance of the license unless one of the following has occurred:
  - (a) the parent, holding company, or intermediary company of the gaming licensee experiences a change in ownership resulting in a change of control;
  - (b) the gaming licensee fails to maintain suitability; or
  - (c) the commission determines that other circumstances exist which affect the gaming licensee's ability to operate the gaming establishment successfully.
- (4) The commission shall not approve of any transfer that would result in the transferee having a financial interest in more than one gaming license issued by the commission.

#### 116.10: Interim Authorization.

- (1) Contractual Transfers. Whenever any person contracts to transfer a gaming license or a security interest in a gaming licensee or its parent, holding or intermediary company, or any real property relating to a gaming establishment, under circumstances which require that the transferee obtain licensure or be found qualified pursuant to 205 CMR 116.02 and/or M.G.L. c.23K, the contract shall not specify a closing or settlement date which is earlier than 121 days after the submission of a completed RFA-1 application as described in 205 CMR 111.00: *Phase 1 Application Requirements*. Such RFA-1 application shall be accompanied by a fully executed trust agreement in accordance with 205 CMR 116.10(6) which shall be subject to commission approval. Any contract provision which specifies a closing or settlement date sooner than 121 days after submission of the RFA-1 application shall be void for all purposes.
- (2) Transfers of publicly traded securities. Whenever any person, as a result of a transfer of publicly traded securities of a gaming licensee or its parent, holding or intermediary company, is required to be qualified under 205 CMR 116.02 and/or M.G.L. c.23K, the person including all related qualifiers shall, within 30 days after a Schedule 13D or 13G is filed with the U.S. Securities and Exchange Commission, or after the bureau notifies the person that qualification is required, or within such additional time as the bureau may for good cause allow, file a completed RFA-1 application for such licensure or qualification as described in 205 CMR 111.00: *Phase 1 Application Requirements*. Such RFA-1 application shall be accompanied by a fully executed trust agreement in accordance with 205 CMR 116.10(6) which shall be subject to commission approval. No extension of the time for filing a completed RFA-1 application shall be granted unless the person submits a written acknowledgement recognizing the jurisdiction of the commission and the obligations imposed by M.G.L. c. 23K and 205 CMR. If a proposed transferee, including all related qualifiers, fails to timely file a complete RFA-1 application, such

failure shall constitute a *per se* negative finding of suitability to continue to act as a security holder, and the commission shall take appropriate action including requiring divestiture by the transferee or redemption of the securities by the transferor.

(3) If a prospective transferee files a complete RFA-1 application in a timely manner the commission shall hold a hearing in accordance with 205 CMR 115.04 and render a decision on the interim authorization of the proposed transferee within 120 days after such filing or, if it is a contractual transfer, prior to the proposed closing or settlement date. If interim authorization is approved for a transfer governed by 205 CMR 116.10(1) then the closing or settlement may occur, and the prospective transferee may hold the securities or interests subject to the provisions of 205 CMR 116.10(4) until a final determination of suitability is made by the commission. If interim authorization is approved for a transfer governed by 205 CMR 116.10(2) then the prospective transferee may continue to hold the securities or interests subject to the provisions of 205 CMR 116.10(4) until a final determination of suitability is made by the commission.

(4) If, after a hearing, the commission denies interim authorization, there shall be no closing or settlement of a contract to transfer an interest governed by 205 CMR 116.10(1) until the commission makes a final determination on the suitability of the transferee in accordance with 205 CMR 115.00. If the commission denies interim authorization for a proposed transfer subject to 205 CMR 116.10(2), all securities and interests subject to the transfer shall be promptly transferred into the trust. If the commission grants interim authorization for any transfer, it may at any time thereafter order all securities and interests subject to the transfer transferred into the trust if it finds reasonable cause to believe that the proposed transferee may be found unsuitable. If a prospective transferee fails or refuses to timely transfer securities and interests into the trust upon direction from the commission said transferee shall be issued a negative determination of suitability.

(5) After determining that a person is required to be qualified in accordance with 205 CMR 116.02, the bureau shall commence an investigation into the suitability of the transferee in accordance with 205 CMR 115.00. The bureau shall produce and forward to the commission an interim authorization report no later than 90 days after the date that a completed RFA-1 application is submitted by the proposed transferee that indicates whether after initial inquiry into the transferee's suitability any apparent disqualifiers have been revealed or there is any other known reason why a positive determination of suitability may not ultimately be achieved. The commission may approve interim authorization if it finds that:

- (a) The transferee has submitted all RFA-1 applications as required by 205 CMR 115.01(3);
- (b) The transferee has submitted a fully executed trust agreement in accordance with 205 CMR 116.10(6);
- (c) The trustee or trustees required under section 205 CMR 116.10(6) have satisfied the qualification criteria applicable to a Key gaming employee-executive in accordance with 205 CMR 134.00;
- (d) There is no preliminary evidence of anything that would serve to disqualify the transferee from licensure in accordance with M.G.L. c. 23K, §§12 and 16 nor is there

any other reason known at the time why a positive determination of suitability may not ultimately be achieved;

- (e) The transfer would not violate 205 CMR 116.09(3) or (4);
- (f) The transferee has certified that they are unaware of any reason why the transferee would not be found qualified pursuant to M.G.L. c. 23K, §§12 and 16. (If the transferee is other than an individual, the certification shall be made by the chief executive officer or individual);
- (g) It is in the best interests of the Commonwealth for the gaming establishment to continue to operate pursuant to interim authorization; and
- (h) If the transfer will result in a change of control, the transferee has agreed in writing in accordance with 205 CMR 129.01 to comply with all of the transferor's existing license obligations or has otherwise petitioned the commission for modification or elimination of one or more of those obligations.

If the Commission approves interim authorization, during the period of interim authorization, the bureau shall continue its suitability investigation as may be necessary for a determination of the suitability of the person granted interim authorization. Within nine months after the interim authorization decision, which period may be extended by the commission for one three-month period, the commission shall hold a hearing and render a determination on the suitability of the applicant in accordance with 205 CMR 115.04.

- (6) Trust Agreements A trust agreement required to be submitted with an RFA-1 application in accordance with 205 CMR 116.10(1) and (2) shall be fully executed upon submission and contain, at a minimum, the following:
  - (a) A provision for the transfer and conveyance to the trustee of all of the transferee's proposed present and future right, title and interest in the gaming licensee, or its parent, holding or intermediary company, including all voting rights in securities upon the occurrence of an event described in 205 CMR 116.10(4) or if otherwise directed to do so by the bureau in its discretion, pending a final suitability determination by the commission.
  - (b) A provision consistent with the provisions of 205 CMR 116.10 for the distribution of any trust res upon a positive determination of suitability, negative determination of suitability, or at the direction of the commission in accordance with 205 CMR 116.10(8).
  - (c) A provision identifying the trustee(s) and requiring the trustee to timely submit an application for qualification as a Key Gaming Employee-Executive and be found qualified by the commission in accordance with M.G.L. c 23K, §30 and 205 CMR 134.
  - (d) A provision identifying the compensation for the service, costs and expenses of the trustee(s), which shall be made subject to the approval of the commission.
  - (e) Any additional provisions the commission deems necessary and desirable.
- (7) The trustee of the trust shall exercise all rights incident to the ownership of the property subject to the trust, and shall be vested with all powers, authority and duties

necessary to the unencumbered exercise of such right, and the transferee shall have no right to participate in the earnings of the gaming licensee or receive any return on its investment or debt security holdings during the time the securities or interest are in the trust. Earnings may, however, accrue to or into the trust.

- (8) The trust agreement shall remain operative until the commission issues the transferee a positive determination of suitability (and in the event the interest has been placed into the trust, the trustee distributes the trust res) or the commission issues the transferee a negative finding of suitability and the trust res is disposed of in accordance with 205 CMR 116.10(9). The trust shall otherwise only be revocable prior to a determination of suitability being issued upon commission approval at the request of the settlor. In the event of such a request the commission may direct the trustee to dispose of the trust res in accordance with 205 CMR 116.10(9).
- (9) If the commission issues a negative determination of suitability in accordance with 205 CMR 115.05, a contract for the transfer of interests shall thereby be terminated for all purposes without liability on the part of the transferor. In the event of such negative determination, where the subject interests have been transferred into a trust in accordance with 205 CMR 116.10(4), the trustee shall endeavor and be authorized to attempt to sell, assign, convey or otherwise dispose of all trust res in accordance with the means approved in accordance with 205 CMR 116.11 or as otherwise directed by the commission. Any subsequent transferee must be appropriately licensed or qualified in accordance with 205 CMR 116.00. The disposition of trust res by the trustee shall be completed within 120 days of the denial of qualification, or within such additional time as the commission may for good cause allow. The proceeds of such disposition shall be distributed to the unsuitable transferee only in an amount not to exceed the lower of the actual cost of the assets to such unsuitable transferee, or the value of such assets calculated as if the investment had been made on the date the assets were transferred into the trust, and any excess remaining proceeds shall be paid to the Massachusetts Gaming Control Fund in accordance with M.G.L. c.23K, §57.

#### 116.11: Unsuitable qualifiers

A gaming licensee's articles of organization or other document governing the sale or transfer of securities or other interests shall contain provisions in a form approved by the commission stating that the sale, assignment, transfer, pledge or other disposition of any security issued by it is conditional and shall be ineffective if disapproved by the commission. Further, a gaming licensee shall have a mechanism approved by the commission in place by which it may effectuate divestiture or redemption of securities, or a like process, in the event of a negative determination of suitability being issued to a person required to be qualified.

205 CMR: MASSACHUSETTS GAMING COMMISSION  
205 CMR 129.00: REVIEW OF A PROPOSED TRANSFER OF INTERESTS

Section

129.01: Review of a proposed transfer of interests

129.01: Review of a proposed transfer of interests

(1) If a proposed transfer of interests subject to 205 CMR 116.08 through 116.10 will result in a change of control, the proposed transferee shall, as a condition of the transfer, unless otherwise allowed by the commission in accordance with 205 CMR 129.01(2), provide the commission with a written agreement to assume all obligations of the gaming licensee including, but not limited to, commitments made in the RFA-2 application, all terms and conditions contained in the gaming license, operation certificate, host community agreement, surrounding community agreements, impacted live entertainment venue agreements, and any other associated agreements, and all permits, licenses, and other approvals issued by any federal, state, and local governmental agencies concerning the construction and operation of the gaming establishment.

(2) Prior to submitting the written agreement referenced in 205 CMR 129.01(1), a proposed transferee may petition the commission to allow for the modification of any terms, conditions, or agreements applicable to the gaming license held by the transferor, provided that the modifications are not inconsistent with the provisions of 205 CMR 127.00: *Reopening Mitigation Agreements* or any other applicable provisions of M.G.L. c.23K and 205 CMR.

(3) Notwithstanding 205 CMR 129.01(1), the commission may in its discretion require submission of any RFA-2 material as described in 205 CMR 119.00 to assist in its determination as to whether to allow a modification in accordance with 205 CMR 129.01(2) and/or approve a transfer of interests in accordance with 205 CMR 116.09.

REGULATORY AUTHORITY

205 CMR 129: M.G.L. c. 23K, §§ 2, 4(37), and 5.

**No Documents**





TO: Chairman Crosby and Commissioners Cameron, Macdonald, Stebbins and Zuniga  
FROM: Mark Vander Linden, Director Research and Responsible Gaming  
Bruce Cohen, MA Department of Public Health, Research Coordinator  
DATE: November 19, 2015  
RE: Recommendations for the Annual Gaming Research Agenda

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## Background

Section 71 of Chapter 23k of the Massachusetts General Laws directs the Commission, with the advice of the Gaming Policy Advisory Committee (GPAC), to develop an annual research agenda in order to understand the social and economic effects of expanded gaming in the Commonwealth and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of gambling.

A Memorandum of Understanding between the Massachusetts Gaming Commission and the Executive Office of Health and Human Services, signed July 24, 2014, established a Public Health Trust Fund (PHTF) Executive Committee. The PHTF Executive Committee is authorized to set an annual budget and protocols for expenditures from the Public Health Trust Fund, which includes funding for the annual research agenda.

## Current Research Agenda

**Social and Economic Impacts of Gaming in Massachusetts:** In 2013, the Commission engaged a team at the University of Massachusetts, Amherst to conduct a comprehensive, multi-year study of the “Social and Economic Impacts of Gambling in Massachusetts” (SEIGMA) to understand the impacts of the introduction of casino gambling in Massachusetts. The SEIGMA study has established baselines for virtually all social and economic variables that may be affected by expanded gaming. Moving forward, data will be collected, analyzed and reported each year to identify the true social and economic impacts. This will provide key information to maximize the benefits and mitigate the negative impacts of expanded gaming in the Commonwealth. Key activities to date include:

- *Gambling and Problem Gambling in Massachusetts: Results of a Baseline Population Survey*, which is the largest element of its Social and Health impacts analysis.
- Baseline economic profiles for each of the host communities: Everett, Plainville and Springfield.
- Baseline study of casino related crime in the Plainville and surrounding communities. The first quarterly follow up will be presented to the Commission on December 3, 2016.
- An analysis of problem gambling helpline data and problem gambling services. This information is being used to develop a problem gambling services strategic plan.
- A series of web applications that allow users to interact with secondary data.

More information about SEIGMA including reports and studies can be found at: <http://www.umass.edu/seigma/reports>



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**Massachusetts Gambling Impact Cohort (MAGIC):** The UMASS team is also conducting a longitudinal cohort study known as the Massachusetts Gambling Impact Cohort (MAGIC). This project promises to be a landmark study, providing new and much needed information about problem gambling incidence rates and the course of problem gambling in Massachusetts. MAGIC will yield important and unique information leading to treatment and prevention initiatives that are tailored to the needs of the people of the Commonwealth. Furthermore, this valuable addition to the research agenda will:

- Establish the raw number of new problem gamblers each year (necessary for resource allocation);
- Identify the variables of greatest etiological importance in the development of and remission from problem gambling;
- Determine whether proportionally more resources should be put into prevention or treatment; and

To date, two waves of baseline data have been collected from a cohort of 3,100 adult Massachusetts residents. The study includes an over sample of at-risk and problem gamblers drawn from the SEIGMA baseline population survey.

**Evaluation of Responsible Gaming Initiatives:** In April, 2015 the Cambridge Health Alliance, Division on Addiction (Division) initiated an effort to evaluate three key responsible gaming initiatives lead by the MGC. These projects and the evaluation goal include:

- 1) Voluntary Self-Exclusion: The Division is collecting data that will permit an assessment of a diverse range of outcomes including, self-reported treatment seeking, gambling behavior, self-exclusion violations, etc. The Division is also comparing outcomes of individuals that received the MGC adopted “engaged” approach against the standard approach.
- 2) GameSense Information Center: The Division worked with the MGC and MA Council on Compulsive Gambling to develop a record keeping system that consists of an employee checklist to document the GSIC related activity and a set of patron surveys that provide information about patrons’ GSIC experiences. This data should provide insight into the epidemiology of the GSIC activity and how patrons receive the GameSense activities, in practice.
- 3) Play Management: The Division has provided advice and consultation in the development of the Play Management system that is scheduled to go live in January, 2016. Once live, the Division will study the basic epidemiology of Player Card and Play Management uptake and usage. In addition, this study will assess whether Play Management improves gamblers’ behavioral outcomes (e.g., supporting affordable gambling and reducing excessive gambling).

**Player tracking data collection, storage and dissemination:** MGC has set aside money in the FY2016 budget to procure services with an “experienced nonprofit research entity” to collect, anonymize, store and disseminate information generated by loyalty programs, player tracking software, player card systems, or any other information system (Chapter 194, Section 97). This project is anticipated to begin in 2016.



### Recommendations for the 2016 Research Agenda

An informal Gaming Research Advisory Committee (GRAC) meets quarterly to help guide the Massachusetts Gaming Commission, PHTF Executive Committee, and the Gaming Policy Advisory Committee on research matters. During the GRAC meeting on October 23, 2015 there was a discussion of recommendations for the 2016 research agenda. The following recommendations emerged from this discussion.

- 1) Expand research to reach key and/or high-risk sub-populations
  - Linguistically isolated and minority populations
  - Veterans
  - Youth
  - Seniors
- 2) Add a targeted survey wave to SEIGMA to capture the exposure and adaptation effect of casino expansion in Plainville.
- 3) New research on treatment and prevention models.
  - Locating and enrolling persons with gambling disorders into treatment
  - Problem gambling recovery relapse
  - Integration of gambling disorder treatment within the behavioral health system
- 4) Continue existing SEIGMA, MAGIC, and evaluation projects with consideration for refinement.
- 5) Expand the study of gaming-related crime by using comparative crime data from matched communities.
- 6) New research on the impact of daily fantasy sports.

### Recommendations for the 2016 Annual Research Agenda

The GRAC provided a number of thoughtful research recommendations that would undoubtedly contribute to the understanding of gambling disorders and the impact of expanded gaming in the Commonwealth. However, constraints on time and money limit the extent which the MGC can implement these recommendations. Therefore, we offer the following recommendations with the understanding that the scope and budget for the research projects must be feasible within the capacity of the current FY2016 budget and FY2017 budget.

Recommendation #1: Continue the scope of the current research agenda, including SEIGMA, MAGIC, and responsible gaming evaluation initiatives through the next year. Consider appropriate changes to contents and methodology for these projects.

Recommendation #2: Initiate the last component of the 2015 research agenda which is to procure services with an “experienced nonprofit research entity” to collect, anonymize, store and disseminate information generated by loyalty programs, player tracking software, player card systems, or any other information system.

Recommendation #3: Add a targeted survey wave to SEIGMA to capture the exposure and adaptation effect of casino expansion in Plainville.



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Recommendation #4: Identify priority population subgroups where further information is needed. Based on this information, develop and implement data collection efforts. Possible subgroups include: Hispanics, particularly in Western MA; Portuguese speakers in southeast MA, Asians subgroups, elderly, and veterans.

### Timeline

|                   |   |
|-------------------|---|
| October 23, 2015  | The GRAC provided recommendations for the 2016 gaming research agenda as outlined in this memo.   |
| November 19, 2015 | MGC Director of Research and Responsible Gaming and DPH Research Coordinator discuss research options and offer advice to Commissioners. Commissioners identify research agenda priorities.   |
| December 15, 2015 | MGC Director of Research and Responsible Gaming and DPH Research Coordinator discuss research options and solicit advice from the Gaming Policy Advisory Committee. Additional advice is solicited.   |
| January 12, 2016  | MGC Director of Research and Responsible Gaming and DPH Research Coordinator discuss research options and offer advice to the Public Health Trust Fund Executive Committee. PHTF Executive Committee members identify research agenda priorities. |
| January 21, 2016  | MGC Commissioners weigh advice and priorities and vote on 2016 Gaming Research Agenda.  |



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