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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
207th PUBLIC HEARING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Bruce W. Stebbins

Enrique Zuniga

Gayle Cameron

January 5, 2017, 10:00 a.m. to 12:42 p.m.

Massachusetts Gaming Commission

101 Federal Street, 12th Floor

Boston, Massachusetts

PROCEEDINGS

1
2 CHAIRMAN CROSBY: Good morning,
3 everybody. We are calling to order Public
4 Meeting Number 207. That would be the first
5 meeting in the year 2017, unbelievably, on
6 January 5th at ten o'clock at the Gaming
7 Commission offices. The first item on the
8 agenda is always approval of the minutes.
9 Commissioner Macdonald.

10 COMMISSIONER MACDONALD: Yes.
11 Before I make a motion, I did want to suggest
12 a change, a small change, but I think an
13 important addition to the minutes as it
14 relates to Christopher Bruce's report on
15 crime in the neighboring environment of
16 Plainridge Park. And this would be at the
17 timestamped figure of 10:24. It currently
18 reads: "Christopher Bruce presents a summary
19 of the first-year analysis..." blah, blah,
20 blah. "He noted there was little impact on
21 most crimes and calls for service in the
22 surrounding area."

23 I personally found particularly in
24 important what I understood to be his finding

1 and observation that any changes in criminal
2 activity and calls for service were
3 consistent with any kind of non-casino
4 facility of a similar size. I went back over
5 the -- his report, and in the summary, the
6 way that he described this is that the
7 profile of crimes and calls for police
8 services were, quote, "commensurate with
9 similarly sized and trafficked facilities."
10 In other words non-casino facilities. And I
11 went back to the release that was issued
12 afterwards, and he was quoted there saying
13 "most changes in public safety are
14 proportional with non-gambling facilities of
15 similar size."

16 So what I propose is that we use
17 either one of those formulations. Both are
18 quotes from Bruce as part of the minutes.

19 CHAIRMAN CROSBY: I think that makes
20 sense. I agree. I actually had one, too. I
21 think there was sort of a slight
22 mischaracterization that was the same one
23 that he made. In the sentence a little bit
24 below that, he says, "He reported that a

1 hundred percent of the offenders were
2 identified and apprehended." And that's --
3 we don't know if all the offenders -- I think
4 what it meant is he reported that a hundred
5 percent of the identified offenders were
6 apprehended. Because, you know, we don't
7 know if all the offenders of all of the
8 crime, everything that was listed.

9 COMMISSIONER CAMERON: Maybe we
10 could say that all reported crime, all of the
11 offenders of all of the reported crime were
12 apprehended so that that's --

13 CHAIRMAN CROSBY: At PC, sure.

14 COMMISSIONER CAMERON: Yes. So
15 anyone that reported a crime, those
16 individuals, with the teamwork, were
17 apprehended. And --

18 CHAIRMAN CROSBY: Yeah. Okay.

19 COMMISSIONER CAMERON: And
20 appropriate law enforcement action. Does
21 that make more sense, Mr. Chair?

22 CHAIRMAN CROSBY: Yes. That's fine.
23 It's a minor, minor, minor point. Any
24 further discussion with those two?

1 COMMISSIONER MACDONALD: Okay. Let
2 me choose before the formations and, you
3 know, and suggest that after the sentence
4 which reads, "He noted that there are little
5 impacts on most crimes and calls for service
6 in the surrounding area," that a new sentence
7 be added to this effect. "Overall, he stated
8 that most changes in public safety data are
9 professional with nongambling facilities of
10 similar size."

11 CHAIRMAN CROSBY: That sounds fine
12 to me.

13 COMMISSIONER CAMERON: That is an
14 interesting piece of this research. I found
15 the same thing, that the target down the
16 street, this is similarly sized and that's
17 about what the increase in activity, whether
18 it be traffic or crime, is. I found that to
19 be an interesting point as well.

20 CHAIRMAN CROSBY: I agree with that.
21 And then the other one was what
22 Commissioner Cameron suggested.

23 COMMISSIONER MACDONALD: Maybe we
24 ought to just for clarity, let's get a second

1 and a vote on my proposed change, and then
2 we'll go to Commissioner Cameron's, and I'll
3 move. Does that make sense?

4 CHAIRMAN CROSBY: Sure. However you
5 want to do it.

6 COMMISSIONER ZUNIGA: I'll second
7 that amendment.

8 CHAIRMAN CROSBY: Okay. Further
9 discussion? All in favor? Aye.

10 COMMISSIONER ZUNIGA: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER MACDONALD: Aye.

13 COMMISSIONER CAMERON: Aye.

14 CHAIRMAN CROSBY: Opposed? The ayes
15 have it.

16 And the other one was, what was it?

17 COMMISSIONER CAMERON: Just to add
18 the term reported crime which clarifies the
19 hundred percent number.

20 CHAIRMAN CROSBY: You reported that
21 a hundred percent of the offenders of
22 reported crime --

23 COMMISSIONER CAMERON: Correct.

24 CHAIRMAN CROSBY: -- were identified

1 and apprehended. Okay. Second on that?

2 COMMISSIONER ZUNIGA: I second that.

3 CHAIRMAN CROSBY: Further

4 discussion? All in favor? Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER MACDONALD: Aye.

8 COMMISSIONER CAMERON: Aye.

9 CHAIRMAN CROSBY: Opposed? The ayes
10 have it.

11 COMMISSIONER MACDONALD: And thus
12 with those changes, unless there any others.
13 Are there any others? That I move that we
14 approve the minutes of the public meeting of
15 December 15, 2016 subject to corrections to
16 typographical errors and other nonmaterial
17 matters.

18 COMMISSIONER ZUNIGA: I second that.

19 CHAIRMAN CROSBY: Further

20 discussions? All in favor? Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 COMMISSIONER MACDONALD: Aye.

24 COMMISSIONER CAMERON: Aye.

1 CHAIRMAN CROSBY: Opposed? The ayes
2 have it unanimously.

3 Okay. We are on to the
4 administrative update. Executive Director
5 Bedrosian, welcome back.

6 MR. BEDROSIAN: Happy new year,
7 Commissioners.

8 CHAIRMAN CROSBY: Thank you.

9 COMMISSIONER CAMERON: Happy new
10 year.

11 MR. BEDROSIAN: As I prepared for
12 today's meeting, I realized today is actually
13 the one-year anniversary of my employment at
14 MGC.

15 CHAIRMAN CROSBY: Really?

16 MR. BEDROSIAN: Yeah.

17 COMMISSIONER MACDONALD:
18 Congratulations.

19 COMMISSIONER STEBBINS: Happy
20 anniversary.

21 MR. BEDROSIAN: Thank you.

22 COMMISSIONER ZUNIGA: And it's the
23 fifth-year anniversary of Janice Reilly.

24 MR. BEDROSIAN: There you go.

1 COMMISSIONER STEBBINS: Ooh.

2 MR. BEDROSIAN: Great things come in
3 ones and fives.

4 COMMISSIONER ZUNIGA: Our chief of
5 Janice Reilly started five years ago.

6 CHAIRMAN CROSBY: Wow. Great.

7 COMMISSIONER CAMERON: Before we
8 were formed.

9 CHAIRMAN CROSBY: I got her out of
10 the cradle.

11 MR. BEDROSIAN: So in 2017 is
12 obviously a new year, and I am starting to
13 work with senior staff on 2017 priorities.
14 The compliance committee has continued to
15 meet and work on both our internal and
16 external compliance responsibilities with
17 Commissioner Zuniga. And believe it or not,
18 CFAO Lennon and myself will actually start to
19 work on our FY 2018 budget pretty soon, and
20 again, we'll be working with Commissioner
21 Zuniga on that.

22 That's my administrative report.

23 Thank you.

24 COMMISSIONER CAMERON: Thank you.

1 CHAIRMAN CROSBY: Okay. Any further
2 discussion? Item Number 4, the
3 Investigations and Enforcement Division,
4 Director Wells and staff.

5 MS. WELLS: This is a table games
6 issue, so I'm turning it over to the experts.

7 CHAIRMAN CROSBY: Okay.

8 MS. TORRISI: Good morning, Mr.
9 Chairman and Commissioners.

10 CHAIRMAN CROSBY: Good morning.

11 COMMISSIONER MACDONALD: Good
12 morning.

13 MS. TORRISI: I'm here this morning
14 with Assistant Director Band and Senior
15 Supervising Gaming Agent Cain to begin the
16 conversation with you about the regulations
17 governing table games rules. We're going to
18 provide you with some information and
19 recommendations with respect to the broad
20 procedural questions before we bring actual
21 draft regulations to you.

22 So when we're talking about table
23 gaming rules, we're talking about the actual
24 rules of play for the table games that will

1 be offered in the Category 1 casinos and that
2 are there few big-picture questions that
3 we'll need to answer before the regulations
4 can be promulgated. Some of those questions
5 and the key questions are what games will be
6 offered, how will the rules of the game be
7 established, and where will the rules of the
8 game be published.

9 So to provide you with some
10 guidance, in answering these questions, I
11 surveyed the table gaming regulations in five
12 jurisdictions. I looked at Nevada, New
13 Jersey, Ohio, Maryland, and Pennsylvania. In
14 your packet, we have a memo and a chart with
15 information on the jurisdiction procedures
16 with respect to table game rules. The memo
17 and the chart are meant to serve as a roadmap
18 for you to provide you with some options, but
19 we're certainly open to other suggestions.
20 It's not all inclusive.

21 I'm not going to delve too deeply
22 this morning into the minutia of the chart.
23 I'm going to focus more on what I see as the
24 two key issues. Those two key questions are,

1 one, what the approval process will be for
2 the game rules; and two, where the rules will
3 be published.

4 You'll see that the concluding
5 section of your memo lists several questions
6 for you to consider. Assistant Director Band
7 and Senior Supervising Gaming Agent Cain are
8 going to discuss those questions with you and
9 offer recommendations to each one. But I'd
10 first like to focus just on these two key
11 issues, and then we'll move on.

12 So I'm going to provide you with
13 some information on how these issues are
14 handled in the five jurisdictions surveyed,
15 and then we'll take a look at
16 recommendations.

17 So the first key issue, establishing
18 the rules of the game. Within this issue, I
19 want to point out that there are two
20 components. There are the rules of the game
21 that we'll want to have established at the
22 outset when the initial regulations are
23 promulgated, and then there are rules of the
24 game that might come up in the future if new

1 games are proposed down the road after the
2 initial regulations have been promulgated.

3 You'll kind of see why that's
4 something to think about when we look at the
5 five states survey. In terms of those five
6 states, Nevada and New Jersey use an informal
7 process for the approval of so-called
8 standard games like baccarat, blackjack,
9 roulette, those sorts of games. Those are
10 the types of games that might fall into that
11 first category where they would be in play at
12 the outset and not new game proposals later.

13 Nevada and New Jersey do use a more
14 formal rules submission and approval process
15 for new games and games variations, and the
16 other three states, Maryland, Pennsylvania,
17 and Ohio, use a formal rules submission and
18 approval process for all games.

19 The formal application process
20 varies slightly from state to state, and
21 there are details on that in your packet in
22 the chart provided. Two things that I'd like
23 to note are, one, all states, other than New
24 Jersey, require that games going through the

1 application process be certified by an
2 independent testing lab; and two, Nevada, New
3 Jersey, and Ohio's applications all
4 incorporate some form of field trials for the
5 game, and they all varied slightly. And
6 there's, again, more information on that in
7 the chart.

8 So the key question to think about
9 in terms of establishing the rules is are you
10 going to require a formal application and
11 approval process for all games, or would
12 there be a more informal process for some
13 games and what would those processes be. And
14 again, the second segment of our presentation
15 will address recommended answers to those
16 questions.

17 The second key issue is publication
18 of the rules, where the rules will be
19 published. In looking at the five states
20 surveyed, Nevada and Maryland published their
21 table game rules on their state agency
22 website, New Jersey and Pennsylvania publish
23 the table game rules in the regulations, and
24 Ohio publishes the rules on the individual

1 casino websites.

2 So if we look at the options of
3 publishing on the agency website or
4 publishing in the regulations, obviously,
5 each has its advantages. If you choose to
6 publish in the regulations, then of course
7 all of the rules are in one place. There's
8 no cross referencing required. If you choose
9 to publish on the website rather than in the
10 regulations, then you avoid some of the
11 delays caused by the formal regulation
12 promulgation process, which I feel they're
13 minor changes to game rules.

14 Maryland actually recently switched
15 from publishing their table gaming rules in
16 their regulations to publishing them on the
17 website. They repealed their game rule
18 regulations in October so that they could
19 more easily amend their game rules, and now
20 they just pushed them on the website. If the
21 rules are -- if you decide to publish the
22 rules on the website rather than the
23 regulation, we would, of course, include
24 enforcement language and administrative

1 provisions of the regulations, and the rules
2 would still carry the full force of law.

3 So as I said, that was just sort of
4 a brief summary on some of the key topics,
5 and the memo and chart are meant to guide you
6 and provide you with some options of how
7 you'd like to proceed. I'm going to turn it
8 over to Assistant Director Band and Senior
9 Supervising Gaming Agent Cain for
10 recommendations.

11 MR. BAND: Thanks, Carrie.

12 Mr. Chairman, members of the Commission, I'm
13 here today with Senior Supervising Inspector
14 Burke Cain. Our task here today is to try
15 and help guide you through answering the
16 questions posed by the legal department.
17 Between Mr. Cain and myself, we have 72 years
18 of gaming regulatory experience to draw from
19 for these recommendations. Our approach to
20 the rules of the game are to promote public
21 confidence in the operations and to promote
22 games integrity. We'll go through each of
23 the questions in there and give you a
24 recommendation at the end of it. We'll start

1 with Mr. Cain.

2 MR. CAIN: Good morning, Chairman.
3 Good morning, Commissioners. Happy New Year.
4 How's everybody?

5 COMMISSIONER STEBBINS: Good
6 morning.

7 CHAIRMAN CROSBY: How many of those
8 72 were yours?

9 MR. CAIN: We're going to talk about
10 that.

11 MR. BAND: I think two more than
12 his.

13 MR. CAIN: I don't think that's
14 right either.

15 As Bruce mentioned, we have some
16 questions that are presented to us, and we're
17 going to try to give you our recommendations.
18 The first question: "Will the Commission
19 require that all games (including the
20 so-called 'standard' games) go through an
21 approval process in order to be authorized
22 for play?" We recommend the initial rules of
23 the game be reviewed and improved by the
24 Commission. We would further recommend that

1 the Commission review and approve all the
2 most popular games and wagers. This would
3 provide the licensees with a broad menu of
4 games and wagers to offer to their customers
5 without having to submit a game for approval
6 during the initial startup period.

7 If this process gets accepted, we
8 would recommend 17 different games for the
9 initial approval. This approach in our
10 opinion would be the most sufficient way to
11 kick this off. The second question tied into
12 that, "If the Commission does require an
13 approval process for all games, what will
14 that approval process be?" We recommend that
15 all games be presented before the Commission
16 for approval after they've been reviewed by
17 our staff. This would be for the initial 17
18 games. Thereafter, we recommend following
19 the new game procedure that will be addressed
20 later on in these questions as the process.

21 This was the procedure first
22 followed in Pennsylvania, Maryland, Delaware,
23 and New Jersey, and we think that might be
24 the best way to do that.

1 MR. BAND: The next question is:
2 "Will the Commission publish written rules
3 for the 'standard' games (example, poker,
4 blackjack, everything)?" We recommend the
5 games be published for all the games on our
6 website. This would create transparency as
7 well as be consumer friendly. This would
8 follow procedures set in Nevada and Maryland.

9 MR. CAIN: The next question is:
10 "What will the application process for new
11 games and modified bets on table games, what
12 would that process be. Will parties other
13 than licensees be permitted to submit
14 applications?" We recommend that anyone be
15 permitted to submit a new game application as
16 long as they meet these following procedures:
17 They must have a Massachusetts casino
18 licensee agreed to test or sponsor that game.
19 A description of the game and equipment used
20 should be submitted to us. We could require
21 prototypes, for example, if we needed to
22 review it. Address submission of the
23 proposed rules of the game should be given,
24 the true odds, the payout odds, the house

1 advantage of each wager. A mathematical
2 analysis of the game from an approved
3 independent test laboratory should be
4 submitted. And we also propose that a game
5 trial period of 45 to 120 days in the game
6 sponsor's casino floor be held. If the game
7 is approved at the end of the trial period,
8 the game will remain on the floor until the
9 licensee wants to remove it.

10 "What will the Commission's process
11 for review and approval of the new game or
12 modified table games or side bets be?" We
13 would recommend an analysis of all the data
14 that's been gather during this test period.
15 We recommend it includes the financial data
16 from the game, what's been the table hold in
17 the count room, patron complaint logs. We
18 would ask that the pit would have a log there
19 for not only the staff to write their
20 comments in, but feedback from the patrons as
21 they're playing the game and any other
22 general comments from the public.

23 This follows with the majority of
24 what other gaming jurisdictions do. Aside

1 from that, our gaming agents would be in
2 contact daily with the pit personnel getting
3 feedback and watching what's going on with
4 that game.

5 MR. BAND: The next question is:
6 "Will the Commission publish table gaming
7 rules in its regulations, on its website, or
8 in some other way?" We recommend that we
9 publish the rules of the game on the website
10 to be followed by our licensees. We would
11 also recommend that we publish gaming
12 regulations directing licensees to follow the
13 rules of the game posted on our website.
14 This would allow us to change any game in a
15 quick and responsible manner without going
16 through the regulatory approval process.
17 This, in our opinion, is the most sufficient
18 procedure.

19 In answering another part of this
20 question, "why is it important that rules be
21 available to the public and whether the rules
22 are subject that would benefit from the
23 public comment period of the regulation
24 process or are appropriately addressed

1 outside the regulation process." We
2 recommend that the Commission require the
3 licensee to provide a copy of the rules of
4 the game on the casino floor. We may want to
5 possibly make these available at GameSense to
6 make more people aware of their program.

7 We would also recommend the rules of
8 the game be available to the public on our
9 website maybe under the heading of Burke
10 Cain's catch phrase, "know the rules, know
11 the game." If the Commission determines that
12 these rules will not be published in
13 regulations and opinion remains to include
14 review and comment period, licensees, and
15 administrative table game regulations. We
16 recommend having a review and comment period
17 for the licensees in the administrative table
18 gaming regulations.

19 MR. CAIN: Next part of the question

20 --

21 CHAIRMAN CROSBY: What was that last
22 point, recommend what?

23 MR. BAND: That we provide a comment
24 period in the administrative thing for the

1 industry on anything that we're proposing.

2 CHAIRMAN CROSBY: But they would not
3 be proposing a reg change, it would just be
4 changed on the website.

5 MR. BAND: Yeah.

6 CHAIRMAN CROSBY: So there would be
7 an informal comment period, not formal reg
8 comment period?

9 MR. BAND: Yes.

10 MR. CAIN: "Will the Commission
11 permit reciprocity for game rules that have
12 been approved in other jurisdictions. If so,
13 will those game rules then be completely
14 exempt from the approval process or will they
15 be subject to a modified approval process?"
16 We recommend MGC review any game, as each
17 jurisdiction approaches this differently;
18 however, with that being said, with our
19 recommendation of approving 17 different
20 games at the onset and all those popular
21 wagers with those games, we feel that the
22 only thing that will be seen as we go forward
23 will be the introduction of new games or side
24 bets and approved games.

1 MR. BAND: "As the regulations are
2 drafted, how would the Commission like to
3 conduct --

4 COMMISSIONER MACDONALD: Excuse me,
5 Mr. Band. Could I go back to Burke's last
6 point?

7 MR. BAND: Sure.

8 COMMISSIONER MACDONALD: I didn't
9 totally follow that. The question relates to
10 whether we would basically recognize other
11 jurisdictions' prior actions on the games as
12 an act of reciprocity, et cetera. On the
13 reciprocity issue, are you suggesting that
14 there be no factor that's part of the process
15 that relates to the actions of other
16 jurisdictions, or are you suggesting that, in
17 fact, we recognize --

18 MR. CAIN: Right. It should be
19 reviewed and looked at, right, but aside from
20 that, we were going to do our own review on
21 that and tie that together.

22 COMMISSIONER MACDONALD: So you're
23 recommending that it be a factor but that it
24 not be a conclusive factor?

1 MR. CAIN: Exactly.

2 COMMISSIONER MACDONALD: Okay.

3 MR. BAND: Okay. "As regulations
4 are drafted, how would the Commission like to
5 conduct its review (groupings of particular
6 games or all at once)?" We recommend that
7 the regulations be submitted to you in one
8 package. We understand this would be a very
9 large package for you to review, but it also
10 gives the licensees an opportunity to see
11 what games we are proposing to offer at the
12 start as well as allowing them to start
13 preparing their gaming equipment orders.
14 They need quite a bit of leeway in there to
15 be able to order these things up front
16 because it's a time consuming process.

17 In closing, we would kind of
18 recommend that you don't make any decision
19 today and that we put this on the agenda for
20 the next meeting as well, and it would give
21 you time to review, digest the information,
22 and meet with us if you have any other
23 questions or concerns that we could clarify
24 for you.

1 CHAIRMAN CROSBY: Okay. And reach
2 out for public comment on these questions?

3 MR. BAND: I hadn't gone that
4 direction. I thought it would be -- I was
5 thinking more in the thing that the
6 Commission on these would make those
7 decisions as to how we want to present them.

8 CHAIRMAN CROSBY: I would be kind of
9 interested in hearing what other people had
10 to say. I thought that was what the process
11 would be, Carrie, that we would --

12 MR. BEDROSIAN: Mr. Chairman, I
13 think, if I could just put some clarity on
14 the process. There's been a desire, from
15 what I've heard by the Commission, to have
16 high-level policy input into regulations as
17 opposed to regulations being dropped in front
18 of you with red lines, whatever, that are
19 hard to understand. This is the beginning of
20 that process, I think, where sort of as
21 Carrie and other folks have pointed out, here
22 the high-level questions we want some input
23 on. I would suggest public comment period,
24 there's going to be sufficient public comment

1 period down the line once the guidance is
2 given, we start to put that into action. I'm
3 all for transparency. It's helpful. But I
4 think we could move this process along by
5 just putting it on the Commission meeting in
6 two weeks, having you all look at this, and
7 potentially meet with these folks
8 individually to answer some substantive
9 questions.

10 It would be very hard to introduce
11 this as a subject at a meeting, have you
12 digest it, and give any substantive feedback
13 immediately. So I don't know how the
14 Commission --

15 COMMISSIONER ZUNIGA: Well, yeah. I
16 agree with that. This is a point that I've
17 made before, that it's worthwhile to try to
18 think about the principles that we want to
19 insert, and a few of them were mentioned
20 here, and I'm going to repeat a couple and
21 insert another one before we start reacting
22 to a red line which becomes, you know, very
23 clunky for the discussion here. And I think
24 there will be plenty of opportunity for

1 public comment.

2 I did want to mention something. I
3 guess I wasn't prepared to -- and I didn't
4 write down all the recommendations. I do
5 like the idea of understanding them better,
6 and you know, as this being the beginning of
7 a process.

8 But I read with interest this memo.
9 And I was just mentioning to Counsel Blue
10 that I was really impressed, pleasantly
11 surprised, if you will, at the ease of
12 understanding and the amount of research that
13 clearly went, Carrie, behind the chart that
14 you put together. It's clear that the source
15 of all the summary here is in multiple
16 places, because, of course, jurisdictions do
17 it differently. And where, you know, some
18 people may have certain things on the website
19 in terms of rules, it's very hard to
20 ascertain and summarize what their approach
21 had been historically, and this is where all
22 the experience collectively comes in and also
23 very handy.

24 So I read it with interest. When I

1 first read the questions, I thought it's
2 going to be very hard to provide context to
3 those answers, but then when I went through
4 the matrix and after hearing some of the
5 comments today, it begins to be a really,
6 really helpful context to those discussions.

7 So I want to mention a couple of
8 things. I think the principles that you
9 start, integrity and public confidence, of
10 course, prevail in our statute and should be
11 very much the case here. I would add one
12 that I think you addressed through your
13 recommendations that I think is important,
14 which is giving our licensees enough
15 flexibility to be competitive in what I think
16 is a very tight marketplace here in New
17 England.

18 So if we go down the path of writing
19 everything in regulation, we might stifle the
20 ability to be innovative or, you know, catch
21 up to the market, if you will, if new games
22 appear. But what you seem to be recommending
23 in some of these, establish a clear initial
24 process for what is understood to be those 17

1 games, I'm going to suggest all the games
2 that are played throughout, and then having
3 an approach where rules, wagers, et cetera,
4 new games can be modified with some ease and
5 communicated to the public with good clarity
6 and not a lot of legalese would accomplish
7 all those principles.

8 When I think about how Nevada and
9 New Jersey may have evolved to where they
10 are, I think of them as, of course, having,
11 you know, a rich history of being the first
12 ones really in the nation, and as I
13 understand approaches of states like
14 Michigan -- and I like certain things and I'm
15 prepared to discuss some of them -- I think
16 it's a reflection of, again, a market that
17 has been now evolving in many other
18 jurisdictions as well.

19 So again, I would add that, you
20 know, insert enough flexibility -- and I can
21 speak to any one of these -- into the process
22 that will allow us to keep the integrity,
23 minimize advantage play, have procedures that
24 the dealers can repeat, and any deviation

1 will alert our gaming agents, et cetera, but
2 maintain some flexibility that allows, you
3 know, equipment manufactures, our own
4 licensees to have innovation and ability to
5 compete.

6 COMMISSIONER STEBBINS: I would echo
7 Commissioner Zuniga certainly in the point of
8 the flexibility. We've seen through some of
9 the changes in betting on horse racing,
10 having to go through a regulatory process
11 that potentially impinges on our licensees'
12 ability to capture some business.

13 I also thought how this was all laid
14 out, you know, the research you did, Carrie,
15 again, on the other states was extremely
16 helpful. I saw the publication of the rules
17 changes is kind of a formality to
18 understanding the games, but I also saw
19 publication from a formal process, and where
20 we make it available is kind of two
21 strategies that are very closely aligned.

22 I like the suggestion, I think
23 Bruce, you made of this is information. Yes
24 it's great to have it available on a website,

1 but if I'm a player at the casino, am I going
2 to quickly run up to my room or pull out my
3 laptop or try to find this on my phone. So
4 some of the old fashion publication or
5 availability, I think your suggestion about
6 having it available at GameSense -- again,
7 the purpose is to educate players and keep it
8 entertaining -- I think was a good
9 suggestion.

10 You know, the thing that kind of
11 struck me, again, I encourage the flexibility
12 and ease for our licensees to make changes,
13 again, beyond the initial establishment of
14 the 17 games. The piece that I was looking
15 for, and it kind of varied from state to
16 state, was the licensees' participation.
17 Seeing that more at the front end of the
18 application to the rules change as opposed to
19 the game, again, being presented to us and
20 then we need to go and ask the licensees to
21 adopt it. I'd rather have the adoption or
22 the sponsorship at kind of the front end of
23 the process.

24 MR. CAIN: Okay.

1 COMMISSIONER CAMERON: If I could
2 just add that I very much -- this is a
3 readable document. Very helpful at the start
4 of the process, and I appreciate the
5 collaboration with legal and IEB. I think
6 that's really how we should be operating, and
7 the experience with the research and the
8 legal opinions are just the right balance.

9 And I have lots of questions, and I
10 look forward to further discussions on some
11 of the -- you know, how we got there and
12 certainly the evolutions from other
13 jurisdictions. So thank you for this.

14 CHAIRMAN CROSBY: I also -- I
15 already commented, Carrie, on the work
16 product, and agree with everybody that this
17 way of doing this of setting out a whole
18 range of options and background and contents
19 is great.

20 I'm still not quite clear on the
21 process. I do completely agree that the
22 notion of trying to talk at a high level of
23 sort of organizational and policy principles
24 prior to getting a whole bunch of detailed

1 regs makes a lot of sense, but is there a
2 place in the process you're talking about for
3 public comment on those principles?

4 MR. BEDROSIAN: As I sat here and
5 thought about my comments, I don't think I
6 clearly articulated what my concern was. I
7 guess my concern -- And I agree with you,
8 there's always a place for public comment. I
9 wouldn't want to cut that off. I also want
10 to keep the process going, because public
11 comment in and of itself sometimes, if you
12 want to be fair to that process, can take,
13 you know, a minimum of 30 days. I would like
14 to keep it -- because, you know, while
15 September of 2018 seems like a long time
16 away, it's not, and this is an important
17 critical factor to at least MGM next in the
18 process to being able to order their
19 equipment, things like that. So I would want
20 to keep this going.

21 So if there is a way -- You're not
22 wrong, Mr. Chairman. You're right. Even on
23 high-level principle --

24 CHAIRMAN CROSBY: Especially long.

1 MR. BEDROSIAN: -- will you publish
2 them on your website versus being
3 prescriptive in regulations, they may have a
4 view. I think if we could informally talk to
5 our licensees and say, hey, on these issues,
6 if you can get us the high-level thoughts in
7 14 days, is that possible to give feedback to
8 the Commission, I think that would be fine.
9 As I said, I just don't want to slow down our
10 process, if possible, and get feedback.

11 COMMISSIONER ZUNIGA: Just on that,
12 I'm thinking of MGM was here today. They
13 operate in a number of jurisdictions, some of
14 which is clearly operated here. I suspect,
15 like they've told us in the past, that
16 they'll say to us, you know, tell us what you
17 do and we'll do it. Once we get to, you
18 know, some of the details, you know, of
19 course they can chime in, in terms of, you
20 know, what might be better from an industry
21 perspective.

22 I do think that, you know, it's --
23 we're at a very early stage, and we're saying
24 if we're asking for public comment, we might

1 get a little bit of all over the place. You
2 should do what New Jersey does except for
3 this. You should do what Nevada does except
4 for that. Or no, when it comes to this, do
5 Maryland.

6 I think this is a great document for
7 us to, you know, start the process, and there
8 will be a number of times in which, you know,
9 there will be very welcomed public comment.

10 MR. BEDROSIAN: Maybe there's a
11 hybrid of that which is for the people
12 watching and paying attention and who care,
13 if they care to reach out to myself or
14 Mr. Band in the next 10 to 14 days, we could
15 assimilate that information and bring it back
16 and present it to the Commission.

17 CHAIRMAN CROSBY: I would modify
18 that slightly. The people who are going to
19 be most interested are clearly our licensees,
20 and they are here or probably watching, and
21 they certainly do have the ability to turn
22 around in two weeks. But I also think -- and
23 I know Elaine Driscoll is watching remotely
24 today. I think, just for the record, it's

1 important to also say to anybody else who
2 wants to comment, and if there's comment,
3 fine; if there isn't, nothing. So that the
4 presumption is that two weeks from today, we
5 will make decisions on these hopefully with
6 whatever input the public wants to give us,
7 but none of that is locked in stone. If
8 something comes in a week later, we can
9 obviously rethink it.

10 But just I think the principle of
11 not losing the invitation to public comment,
12 even as we make a process, a two-step
13 process, high-level policy issues, and then
14 the detailed regs is an important principle.
15 We don't want to lose that. So if Elaine
16 will follow through on that externally and
17 you guys internally with our licensees, that
18 works fine.

19 MR. BEDROSIAN: We'll follow up,
20 Mr. Chairman.

21 COMMISSIONER MACDONALD: I have two
22 points to make. First, I want to join in the
23 praise of Ms. Torrissi's work product --

24 CHAIRMAN CROSBY: You're five for

1 five. That's pretty good.

2 COMMISSIONER MACDONALD: -- work
3 product here. And I know it looks like I'm
4 just jumping on the bandwagon, but let the
5 record reflect that in my weekly meeting
6 yesterday with General Counsel Blue, I told
7 her that I thought this was really a
8 first-class product. The subject matter here
9 is complex. It is something that so easily
10 could have produced a quagmire of information
11 and it was just the opposite actually. We
12 were able to very clearly understand the
13 different approaches by the jurisdictions
14 that were chosen here, and it really advanced
15 our consideration of the substance very much.
16 It really is a great job.

17 Secondly, just a question of a point
18 of information from Mr. Band and Mr. Cain.
19 How does a trial period work? If new a game
20 is being proposed, are they actually brought
21 out onto an active casino floor?

22 MR. BAND: Yes, they see the --

23 MR. BEDROSIAN: Is your microphone
24 on?

1 MR. BAND: Sorry. There's usually a
2 signage at the front door stating we're
3 testing the game for this time period, what
4 it is. They have available rules of the game
5 for those people. It's actually wherever on
6 the floor that the licensee wants to place
7 it. We make sure the pit personnel keep
8 accurate notes on comments and stuff from
9 patrons, whether they like the game or
10 whether there's something that's cumbersome
11 about it. We keep a real close eye on it on
12 what the hold is on that table to make sure
13 all the math has been done correctly on the
14 odds and wagers and that the game is fair to
15 the public.

16 We give that range 45 to 120 days.
17 Basically, at the end of 45 days, we could
18 say, yeah, that's an acceptable game. It's
19 great. There might be some situations where
20 we might want to tweak a couple of the rules
21 because of problems that we found, hence the
22 longer test period. The end of that test
23 period, we approve the game and everybody can
24 use it.

1 COMMISSIONER ZUNIGA: Is it a
2 judgment call when you -- when there's enough
3 variability from an existing -- I mean, how
4 often are we likely to see a new game,
5 besides variability, besides side bets? I
6 understand there's a number of variations.

7 MR. BAND: There's a lot of crazy
8 new games that come up and that's why we
9 require them to have a Massachusetts licensee
10 sponsor for that game. Otherwise, we would
11 be doing five or six games a month and
12 spending an awful lot of time on it. It's
13 not worth our time and effort unless somebody
14 is actually going to put it on the floor
15 here.

16 So I think that number would be very
17 small, maybe one or two a year, I would say
18 at best.

19 MR. CAIN: Yeah. To back up what
20 Bruce is saying, oftentimes at the beginning
21 of a pit or at the door, there will be an
22 easel with a thing and they're introducing
23 the game. And even by the game, they'll have
24 a little display near it. And people start

1 to talk about it and there's a little bit of
2 buzz about it usually. But within 10 to 14
3 days, by us talking to the casino, they kind
4 of know if this bets any good or if this game
5 is any good, and they may pull it on
6 themselves and get rid of it.

7 Like the pan to eight bet in
8 mini-baccarat was very, very popular. It got
9 rated at five percent vigorish that you had
10 to pay, and all the casinos jumped all over
11 that, and we knew instantly that was going to
12 be a big hit. Whereas, another example of a
13 game called crisscross poker and that just --
14 it was too confusing. People didn't like it,
15 and it just got pulled.

16 MR. BAND: I had one new game that
17 was on the floor an hour and a half before
18 the casino asked me to pull it because they
19 were down 237,000 on the table. Somebody
20 didn't do their math right.

21 MR. CAIN: People are very
22 interested when they see the little billboard
23 up, and they say, oh, what's this? And it's
24 got a funny, interesting little name,

1 crisscross poker. Hey, let's see what that
2 is, and then they're like keep putting a chip
3 out and nothing's coming back, they're like,
4 I don't know if I like this. So it was very
5 easy to tell and it's usually a short period
6 of time.

7 CHAIRMAN CROSBY: In the memo about
8 field trials, there was no reference to
9 customer feedback. You did talk about
10 customer feedback.

11 MR. BAND: In the regulations that
12 address this part, there are many more
13 details to this process where you get
14 customer feedback as well. We get a lot of
15 that through patron complaints and
16 conversations we have as well.

17 CHAIRMAN CROSBY: You talked about
18 having something like a --

19 MR. CAIN: Yeah. There should be a
20 logbook in the pit.

21 CHAIRMAN CROSBY: Logbook, yeah.

22 MR. CAIN: And I remember going down
23 almost daily just to see what the feedback
24 was overnight during some of these games.

1 CHAIRMAN CROSBY: Right.

2 MR. CAIN: And the pit personnel are
3 responsible to, you know, solicit comments
4 about what they think of the game.

5 MR. BAND: We would spend our share
6 of time, too, with observations.

7 MR. CAIN: Right. And since we're
8 there, we'll be able to monitor that pretty
9 closely.

10 CHAIRMAN CROSBY: Right. Yeah. I
11 just think the feedback from the customer as
12 well is...

13 MR. CAIN: Right.

14 MR. BAND: The casino is interested
15 in that as well.

16 CHAIRMAN CROSBY: Yeah. Of course.

17 MR. BAND: If they don't like it,
18 it's not worth them having the game.

19 CHAIRMAN CROSBY: Right.

20 COMMISSIONER ZUNIGA: I realize you
21 may not be prepared to answer this, but how
22 does Indian -- the Indian regulatory process
23 sort of work for new games?

24 MR. BAND: A really wide range

1 across the country depending on where you
2 are. Foxwoods and Mohegan Sun, both of those
3 pretty much adopted New Jersey's rules at the
4 time because the person up to run it was from
5 New Jersey at that point. But any time they
6 get a game, their triable council reviews it.
7 They have people with expertise on it. It
8 would be a very similar process --

9 COMMISSIONER ZUNIGA: To this
10 Commission.

11 MR. BAND: -- that we're putting
12 through. Maybe not as formal, but the
13 turnaround probably wouldn't be much
14 different than what ours is.

15 COMMISSIONER ZUNIGA: But it's fair
16 to say that because of proximity,
17 historically they've done what New Jersey has
18 done.

19 MR. BAND: Yes. Out in Oklahoma and
20 some of these other places, the rules aren't
21 quite as stringent and the regulatory
22 oversight isn't totally there, but you get
23 that across the whole matrix.

24 COMMISSIONER STEBBINS: Another

1 quick question. Give me a sense of how an
2 independent party reviews the games, tests
3 the games, looks at the math. This isn't a
4 slot machine that you plug it into the wall.

5 MR. BAND: Probably the most
6 important thing to us in that initial review
7 is the data from the lab telling us what the
8 actual true odds are, what the win odds are,
9 and what the holds are. When they do all the
10 formulas for every wager, that's something
11 that we would be most interested in because
12 if it's so unfair, let's say 90 percent
13 advantage, you know, the players are going to
14 lose, that's not necessarily a game we'd want
15 to put -- we want to protect the public from
16 that.

17 So it goes through quite a bit of
18 process with that. Those are things that we
19 look at and you talk about, you know, if this
20 game's approved in other jurisdictions, we
21 certainly would talk to everybody in that
22 jurisdiction for input on the game problems
23 that they saw and everything like that.

24 The procedure does not take long.

1 Probably the longest thing is getting the
2 data from the lab.

3 COMMISSIONER STEBBINS: And it's the
4 usual kind of cast of suspects that do this
5 type of test?

6 MR. BAND: Yes.

7 MR. CAIN: I note from my experience
8 on the casino floor that at each casino,
9 there seemed to be two or three guys that
10 were always trying to reinvent the wheel. So
11 they're always coming to me, hey, I've got
12 peek-a-boo blackjack. What do you? I go,
13 ah, I don't want to hear about it. You've
14 got to get it certified, get a casino that
15 wants to try it out.

16 MR. BAND: The reason New Jersey
17 doesn't require labs is because they have
18 their own lab that does the testing.

19 COMMISSIONER ZUNIGA: That's one
20 instance, by the way, where I first read the
21 question like would we allow anybody to
22 submit, you know, a new game --

23 MR. CAIN: That's why it's --

24 COMMISSIONER ZUNIGA: -- and I

1 figured why would we ever want to do that,
2 but as I read through the rest of the matrix,
3 you know, the condition that New Jersey
4 imposes is very reasonable that allows for
5 some creativity as long as there is a
6 sponsor.

7 MR. BAND: That's how Caribbean stud
8 poker got put in. It was a private citizen
9 that approached the casino and that's one of
10 the most popular games.

11 CHAIRMAN CROSBY: Right.

12 COMMISSIONER ZUNIGA: Which game was
13 that?

14 MR. BAND: Caribbean stud poker. I
15 think he gets 500 per table for that. You
16 think in Atlantic City, there's probably,
17 what, 40 Caribbean stud poker tables.

18 MR. CAIN: Probably more than that,
19 right.

20 MR. BAND: Monthly.

21 CHAIRMAN CROSBY: Honestly? Wow.

22 MR. BAND: You want to invent a game
23 in this business.

24 CHAIRMAN CROSBY: No kidding.

1 MR. CAIN: That's why these guys are
2 always coming up. It's very lucrative to be
3 able to sell a game to a licensee.

4 CHAIRMAN CROSBY: Wow.

5 COMMISSIONER ZUNIGA: I tell you, I
6 have to even figure out what half of these
7 games actually are, but I will in due time
8 and with your guidance.

9 MR. BAND: You're not going to learn
10 it overnight, but we will expose you to all
11 of them.

12 COMMISSIONER ZUNIGA: I know. I
13 love the names of some of them.

14 COMMISSIONER CAMERON: Yeah.

15 CHAIRMAN CROSBY: Yeah. Zuniga stud
16 poker. Stud Zuniga poker.

17 COMMISSIONER ZUNIGA: You may be
18 onto something.

19 CHAIRMAN CROSBY: I had a couple of
20 questions. I gather from this, your notion
21 is we would mandate rules for the games and
22 those will be controlling in any of our
23 facilities, because I would guess do some
24 houses, some facilities have different rules

1 from others.

2 MR. BAND: Where the variation would
3 come in is we list numerous wagers they can
4 make. Not every property will offer all the
5 wagers. So that they would hand pick -- you
6 know, one actually might conflict with the
7 others, so you can't offer both of them on
8 the game, but it gives them the option to do
9 these and to be different from the other
10 casinos.

11 CHAIRMAN CROSBY: Here's what you
12 may do.

13 MR. BAND: Yes.

14 CHAIRMAN CROSBY: But you don't have
15 to do all that which outside of that.

16 MR. BAND: Yes. As a matter of
17 fact, in New Jersey we had gone at one point
18 where as their submission, you have the rules
19 and all the options. The options were a
20 checkoff box so they could check it off
21 saying these are what we want to do. That
22 can be changed within a couple of hours if
23 they had some special player come in. So it
24 gives a lot of flexibility to the industry to

1 make changes.

2 CHAIRMAN CROSBY: And then on the
3 rules themselves, when we were playing the
4 games and learning about the games the other
5 day, there were things. Like I remember if a
6 die landed on a chip on a certain angle,
7 there would be a house rule that would
8 determine whether it would count.

9 MR. CAIN: It would be a regulation.

10 MR. BAND: It would be a regulation.

11 CHAIRMAN CROSBY: A regulation.

12 MR. BAND: The problem we had before
13 that regulation was instituted, sometimes the
14 casino would look and say, oh, I'd lose a lot
15 of money if I call it that way. We wanted it
16 consistent as to how it would be --

17 CHAIRMAN CROSBY: But my point is,
18 so we're talking about rules that at that
19 level of detail.

20 MR. BAND: Yes.

21 CHAIRMAN CROSBY: So we're talking
22 about rules which cover ever single possible
23 practical variation that could come up in any
24 of these games.

1 MR. BAND: Believe me, when you have
2 a screaming crowd come at you because
3 something's happened, it's always better to
4 have a rule that has to be followed and it's
5 in writing with it, and it quiets everybody
6 down.

7 COMMISSIONER STEBBINS: Yeah, no
8 question. I'm sorry.

9 MR. CAIN: The perfect example of
10 that is an upgrade we made. Enrique enjoys
11 the game of craps. If a die lands in the
12 dice cup or in the chip bank in front of the
13 box person, the regulation says the casino
14 shall have the authority to invalidate that
15 roll. Well, if that's a winner six, they
16 might say that's a no roll. If it's an out
17 seven, clear the table, they might say it's a
18 roll. We fixed that to where the dice cup
19 and the chip bank are no rolls.

20 So the subjectivity of that has
21 always bothered me for my whole time in
22 Atlantic City. We took that out and we made
23 it fair to everyone.

24 CHAIRMAN CROSBY: All right. So

1 that will be interesting to see. I don't
2 know how we're going to debate whether or not
3 a die should be a backside or a front side
4 when we can get to it. All right. That will
5 be interesting. But that will go through the
6 same formal public comment period.

7 MR. BEDROSIAN: Yes.

8 CHAIRMAN CROSBY: Or it might be
9 informal.

10 MR. BEDROSIAN: Yeah.

11 CHAIRMAN CROSBY: If it's in our
12 website and not our regs, it will be an
13 informal process, but it will be a process.

14 MR. BEDROSIAN: Yes.

15 CHAIRMAN CROSBY: Okay. Anybody
16 else?

17 COMMISSIONER ZUNIGA: Yes. Just
18 generally, the 17 games, there's a method to
19 your recommendation about those 17 games. I
20 look forward to understanding more, but
21 generally what New Jersey or some of the
22 other ones --

23 MR. BAND: No. We'd probably lean
24 heavier on Pennsylvania and Maryland. Our

1 staff has a lot of former casino shift
2 managers and stuff, and we make inquiries all
3 around. We said, well, what's everybody have
4 on their floor? What's the favorite ones?
5 What's being played?

6 So we got it for pretty much all the
7 games that are being played up and down the
8 East Coast and out West as well were included
9 in our list. So that way, I don't think
10 there's anything that's off that list that
11 the casino would want to offer. You know, or
12 at least at the earlier juncture.

13 MR. CAIN: I think table game
14 number 12 through 17, you may have one game
15 and you might not have one game of that. But
16 it is an approved game if they want it,
17 different holidays, different weekends.

18 CHAIRMAN CROSBY: Okay. So we will
19 bring this up in two weeks. Any of us who
20 want to will meet with you individually to
21 talk about it. Elaine will put out a request
22 for folks to feedback on those several
23 questions from Carrie, and you all will in
24 particular make sure that we touch base with

1 our licensees. Great. Okay. This is really
2 good and it's a good process. Thanks very
3 much.

4 MR. BAND: Thank you.

5 COMMISSIONER CAMERON: Thank you.

6 MR. CAIN: Thank you.

7 CHAIRMAN CROSBY: Next up is 4(b).

8 Now we get Director Wells.

9 MS. WELLS: Good morning, Mr. Chair,
10 members of the Commission.

11 COMMISSIONER CAMERON: Good morning.

12 COMMISSIONER MACDONALD: Good
13 morning.

14 DIRECTOR WELLS: I'm now going to
15 turn over section (b) to Chief Enforcement
16 Counsel Lillios to talk about the proposed
17 amendments to the exclusion list regulation.

18 MS. LILLIOS: Good morning,
19 Commissioners.

20 COMMISSIONER CAMERON: Good morning.

21 COMMISSIONER MACDONALD: Good
22 morning.

23 CHAIRMAN CROSBY: Good morning. Is
24 your mic on?

1 MS. LILLIOS: Good morning. The
2 proposed amendment to the exclusion list regs
3 that are in your packet today deal with the
4 nonvoluntary exclusion list. And just as a
5 reminder, that is the list that we are
6 required by statute to maintain based on some
7 statutory criteria that include a person's
8 criminal background and whether the person's
9 presence in a casino would threaten the
10 interest of the Commonwealth in the casino or
11 might negatively affect public confidence in
12 gaming.

13 When this regulation was originally
14 promulgated, we focused exclusively on the
15 hearing process for these individuals and
16 making sure nobody was placed on this list
17 without having the opportunity for review of
18 the IEB's decision. But what we did not
19 differentiate at the time is we did not
20 differentiate between the public list that is
21 required to go up on our website and the
22 internal list that we work with our state
23 police and gaming agents as well as the
24 casinos themselves because they are

1 responsible for ejecting any of these
2 excluded individuals ultimately. So the
3 proposal that is in front of you now aims to
4 differentiate between that public list on the
5 website and our working list.

6 So the language in red on page 1 of
7 your proposal also appears in a crossed-out
8 fashion on page 4. So it's the same
9 language, but now we're basically saying all
10 of that detail is for our internal and casino
11 list, whereas for the public list on our
12 website, we are proposing 152.02(1) that we
13 would maintain a list of these excluded
14 individuals to be excluded or ejected and
15 that our website would include their names
16 and their years of birth and not the detailed
17 rationale for why they are on the list.

18 And there really are two reasons why
19 we're suggesting this adjustment, and one
20 reason is that a full description of the
21 rationale for putting them on the list would
22 run afoul potentially of the Massachusetts
23 law that restricts dissemination of a
24 person's criminal history information. And

1 the Massachusetts law in that regard is
2 stricter than most other states. So we
3 wanted to make sure that we're not running
4 afoul of that law.

5 And another rationale really for
6 your consideration and discussion is that a
7 fuller description for the public list might
8 be more intrusive to the included person's
9 privacy interests, not as a legal matter, but
10 perhaps more intrusive than is necessary to
11 justify the real reasons for the public list
12 in the first place.

13 One other matter that I wanted to
14 mention now is I did have some input from
15 Commissioner Stebbins in my one-on-one
16 discussions with him. On page 4 when we talk
17 about the duties of the gaming licensees, and
18 essentially, this section is designed to
19 place the responsibility on a casino to work
20 to identify people who are on this list and
21 work to eject them if they do try to come
22 back into the casino or come into the casino.
23 And Commissioner Stebbins noted that the
24 language in Subsection 1 might not be strict

1 enough to place that responsibility on the
2 casino, and I definitely see what he is
3 saying. And, you know, one option would be
4 to delete that language entirely. The rest
5 of the section, especially when read in
6 conjunction with our internal controls in 205
7 CMR 138 would clearly put that responsibility
8 on the casino.

9 So I'm just drawing a note that that
10 comment that Commissioner Stebbins did have.
11 We don't have to make any ultimate
12 determinations now. Really what I'm asking
13 for now is your consideration of this
14 proposal and to put this out on an informal
15 basis now.

16 COMMISSIONER CAMERON: I'm confused
17 as to how deleting this will help clarify to
18 the licensee their responsibility.

19 MS. LILLIOS: The thought would be
20 that the remaining provisions here, 2 through
21 6, do that job sufficiently.

22 COMMISSIONER ZUNIGA: So what's the
23 deleting piece?

24 CHAIRMAN CROSBY: Section 1.

1 COMMISSIONER STEBBINS: And my
2 suggestion isn't necessarily taking out all
3 of Section 1. My question or just small
4 adjustment, and I didn't convey this
5 correctly to Loretta, is just taking out the
6 words "on a regular basis." That, to me,
7 just kind of seems a little loose. I think
8 keeping the rest of the language as you have
9 it in, in (1) is consistent.

10 I think, obviously, all of our
11 licensees understand their responsibilities,
12 but viewing this, I think, from the outside
13 world would be, oh, they review it on a
14 regular basis, quarterly, you know, every six
15 months. The idea is that we're being
16 diligent about this. That language just
17 seems a little loose to me.

18 COMMISSIONER ZUNIGA: I think that's
19 fine.

20 CHAIRMAN CROSBY: So your suggestion
21 is just take out "on a regular basis"?

22 COMMISSIONER STEBBINS: Yeah. Keep
23 (1) and take out "on a regular basis."
24 Sorry, Loretta.

1 MR. LILLIOS: Okay.

2 COMMISSIONER ZUNIGA: I have one. I
3 agree with this notion that clarifying --
4 that you need a lot more information to get
5 the right person at the casino, but we serve
6 the purpose by simply -- the other purpose of
7 publicizing it by putting the name and year
8 of birth. So I'm fine with these
9 recommendations.

10 The one question I do have is what
11 about those rare occasions where you have a
12 similar name, Charles Smith, no middle
13 initial.

14 COMMISSIONER CAMERON: That's the
15 reason for the date of birth.

16 COMMISSIONER ZUNIGA: Right. And
17 even then, would it be possible to just
18 insert and any other such clarifying, you
19 know, characteristic that the IEB might
20 consider? Is giving you the flexibility to
21 say, you know, Charles Smith from Plainville?

22 MS. WELLS: Yeah. It's tough.

23 COMMISSIONER ZUNIGA: I'm just
24 envisioning the rare occasion where you will

1 have somebody say I'm not supposed to be on
2 that list.

3 MS. WELLS: Yeah. And there are
4 some jurisdictions that use a photograph. I
5 thought the same thing. If there was a Karen
6 Wells, you know, 1969 on the list, then, you
7 know, there are lots of Karen Wells, what if
8 there's another Karen Wells. I'd rather
9 someone not think that I'm on the exclusion
10 list. And that's a consideration for the
11 Commission, that sort of balance. Because
12 you could put a photograph on there and then
13 people that looked it up would know it wasn't
14 me. But then it's somewhat intrusive to have
15 your photograph online, and there's some
16 privacy interests there. So that's
17 certainly --

18 COMMISSIONER ZUNIGA: And all I'm
19 suggesting is simply considering inserting
20 any other such information that you deem to
21 be, you know, for the public interest. You
22 know, in this case not be confused with
23 someone else.

24 MS. WELLS: I just wonder if then

1 you get into desperate treatment.

2 COMMISSIONER CAMERON: Yes.

3 MS. WELLS: Hypothetically, if you
4 have, say, a minority group that you're
5 always putting the pictures on because their
6 names sound the same, and it's like, well,
7 wait a minute. You're putting pictures on
8 the minority group but you're not putting it
9 on the other. You run the risk of some kind
10 of claim there. So I think we should talk
11 about it and think about it because I think
12 you have a valid point there.

13 COMMISSIONER ZUNIGA: The scenario
14 I'm thinking about is not something you
15 suspect might be a name that's popular but
16 something that you know is double identity.

17 DIRECTOR WELLS: Oh. I see what
18 you're saying.

19 COMMISSIONER ZUNIGA: In that
20 instance, then you say, well, you know, it's
21 a different Charles Smith. Let's put in some
22 other clarifying information.

23 MS. WELLS: Hypothetically --

24 COMMISSIONER ZUNIGA: I do

1 understand that the year might by itself
2 clarify it, but if somebody looks to be in
3 their 40s, I don't know. We might have to
4 take the same --

5 COMMISSIONER CAMERON: I actually
6 think the public is smart enough to know
7 that's a very common name, and I shouldn't
8 assume that it's so and so.

9 COMMISSIONER ZUNIGA: Fair enough.
10 It was just a question for consideration. I
11 don't want to make a bigger point.

12 MS. WELLS: I think it's valid.

13 COMMISSIONER CAMERON: No. It's a
14 valid point and it was an interesting
15 discussion, right, to talk through this
16 matter. But I would agree that these changes
17 are good, and I think the public confidence
18 piece is served by the fact that there is a
19 list. There are a number of people on that
20 list. I think that's the whole idea and not
21 necessarily the ability to identify someone.
22 And, again, if it's a common name, I would
23 look and say, oh, it could be one of a lot of
24 people so I'm not going to make an assumption

1 there.

2 MS. LILLIOS: So the request would
3 be that we put this out on an informal basis
4 for public comment with the change that you
5 have suggested, Commissioner Stebbins, on
6 removing "on a regular basis" and we put
7 that. That's what we're asking. We don't
8 need a vote for that.

9 CHAIRMAN CROSBY: Just to be sure,
10 there's only one list, right? There's just
11 two versions of the same list.

12 MS. LILLIOS: Correct.

13 CHAIRMAN CROSBY: One has name and
14 date of birth. One has more information.

15 MS. LILLIOS: Correct. Same
16 individuals on both lists.

17 CHAIRMAN CROSBY: Same list. One
18 list, right?

19 MS. LILLIOS: Just different amount
20 of information.

21 COMMISSIONER ZUNIGA: Remember,
22 there's a whole process for petitioning to be
23 out of that list, and before you're put in to
24 preserve your identity that we talked a lot

1 about and you alluded to.

2 CHAIRMAN CROSBY: Just rereading
3 this, this was not red lined, but I want to
4 clarify something. On page 3, the procedure
5 for entry of names. So if I understand this
6 right, the Commission can put somebody on the
7 list, but we have the option if we want to of
8 scheduling a hearing on the matter before we
9 do, but we don't have to do that. We can
10 just put somebody on the list. We have the
11 option of scheduling a hearing, but we have
12 the duty to give everybody an opportunity for
13 a hearing whether it's before or after.

14 MS. LILLIOS: That's correct.

15 CHAIRMAN CROSBY: Okay. And what
16 would be the criteria that we would use to
17 decide to give somebody a hearing first as
18 opposed to after being listed? What kinds of
19 issues would cause us to do that?

20 MS. LILLIOS: Well, I suppose if
21 you --

22 MS. WELLS: I mean, I'm just
23 thinking. It's an option. It may be if
24 something may be potentially very

1 controversial, say, if you have someone, some
2 public notoriety, something like that, the
3 Commission has that safety valve of some kind
4 of option if they think that. My expectation
5 is the regular process would be the IEB
6 determines someone should be on the list,
7 they put them on the list. The opportunity
8 for the hearing, the whole process is laid
9 out. But there is that exception that the
10 Commission retains that authority. I think
11 that would be --

12 COMMISSIONER ZUNIGA: And remember,
13 the mere hearing -- Well, we will have our
14 hearing with our hearing officer, correct?
15 That's the way it operates?

16 MS. BLUE: Under the hearing regs
17 that we're currently crafting, yes, the first
18 hearing would be with the hearing officer.

19 COMMISSIONER ZUNIGA: There's always
20 a concern that even the hearing could, by
21 itself, bring reputational damage to somebody
22 even if it didn't meet -- even if that person
23 never made it to the list.

24 CHAIRMAN CROSBY: Well, it's going

1 to be worse if you put them straight on the
2 list and they get the hearing afterwards.

3 COMMISSIONER ZUNIGA: But there's
4 the option.

5 CHAIRMAN CROSBY: I like having
6 flexibility, so I'm fine with that, but I
7 want to make sure there's no equity issue or
8 equal protection issue that someone might be
9 able to -- we might sort of arbitrarily
10 choose to give somebody a hearing for and we
11 don't give somebody else the opportunity for.

12 MS. BLUE: I think it's probably
13 best to err on the side of giving everyone a
14 hearing. I mean, a hearing is not a hard
15 thing to put together. It will be in front
16 of the hearing officer. So, you know, to the
17 extent that it's requested or there's any
18 kind of sense, it wouldn't hurt to give
19 people a hearing.

20 CHAIRMAN CROSBY: Well, we do offer
21 everybody -- in this statute in this reg, we
22 do offer everybody an opportunity.

23 MS. BLUE: We do.

24 CHAIRMAN CROSBY: It's a question of

1 is it okay to have the option of giving some
2 people a hearing in advance of going on the
3 list.

4 MS. LILLIOS: So we offer -- Before
5 we place somebody on the list, we notify the
6 individual that we intend to place them on
7 the list and we tell them you have the
8 opportunity for a hearing before we place you
9 on the list. So they do have -- And that was
10 the big concern when we promulgated this rule
11 initially was placing somebody on the list
12 and then they're on the list publicly --

13 COMMISSIONER CAMERON: Yes.

14 MS. LILLIOS: -- and they have not
15 had a hearing first. So before anybody goes
16 on the list, whether that list includes that
17 public list and it also includes our internal
18 list because. As discussed, it's the same
19 people on the list.

20 CHAIRMAN CROSBY: Same list.

21 MS. LILLIOS: Okay. So everybody
22 has the opportunity for a hearing before a
23 hearing officer before they get placed on the
24 list.

1 COMMISSIONER CAMERON: Yeah. It's
2 my experience that most people do not want a
3 hearing. The offense is egregious enough or
4 repeated and they do not choose to have a
5 hearing. So I think that --

6 CHAIRMAN CROSBY: But I don't think
7 that's what this says. Doesn't that last
8 sentence in the first paragraph in
9 Subsection 1, it says prior to placing a name
10 on the list, the Commission may schedule a
11 hearing.

12 MS. LILLIOS: So the first stage is
13 IEB intends to put somebody on the list.
14 Before we put the person on the list, they
15 get a hearing before a hearing officer. Your
16 focus now, Chair, is on the person either
17 doesn't ask for the hearing officer hearing
18 or the hearing officer agrees with the IEB,
19 now we're poised to put the person on the
20 list, and then this section kicks in to the
21 full commission.

22 Now, in fairness, I should mention
23 that what I came to you today on was this
24 differentiation between the two --

1 CHAIRMAN CROSBY: Right.

2 MS. LILLIOS: -- public versus
3 internal list. As we have spoken to you
4 before, the legal division and the IEB are
5 working through the overall regulation on all
6 of the hearings that are presented between
7 the hearing officer and to the Commission,
8 and this is one of the areas on hearings that
9 we will be looking at.

10 CHAIRMAN CROSBY: Okay. I realize
11 this was not up for discussion directly, but
12 as I'm hearing you talking now, it doesn't
13 seem to me that's what this says, or at least
14 as I read it. Let's do take a look at this.
15 I'm not exactly sure which is the right way
16 to go, but whichever -- the first issue is
17 which is the right way to go, and the second
18 issue is make sure we say that in the reg.
19 We can come back to that.

20 Did I have another question? Yes.
21 It is one list. You talked occasionally
22 about an internal list and an external list,
23 but it's just different versions of the same
24 list.

1 MS. LILLIOS: Correct.

2 CHAIRMAN CROSBY: Just to make sure
3 there's no misunderstanding.

4 COMMISSIONER ZUNIGA: The level of
5 detail.

6 CHAIRMAN CROSBY: All right. Any
7 other conversations about this?

8 COMMISSIONER ZUNIGA: So no vote,
9 just --

10 DIRECTOR WELLS: Put it out for
11 public comment.

12 COMMISSIONER ZUNIGA: Put it out for
13 public comment informal.

14 CHAIRMAN CROSBY: And you'll get
15 back to us on the other issue.

16 MS. WELLS: Yes.

17 CHAIRMAN CROSBY: Okay.

18 COMMISSIONER ZUNIGA: Sounds good.

19 COMMISSIONER CAMERON: Thank you.

20 COMMISSIONER STEBBINS: Thank you.

21 COMMISSIONER MACDONALD: Thank you.

22 MS. WELLS: The next item, we have a
23 vote for the application of a Gaming Vendor -
24 Primary license. You previously had an

1 opportunity to review the IEB's report, and
2 there is a cover letter which is in the
3 packet for your consideration to summarize.

4 The applicant is KGM Gaming, LLC,
5 which I'll refer to as KGM. The application
6 covered one applicant and four individual
7 qualifiers. Under Massachusetts law, an
8 application for a Gaming Vendor - Primary
9 license, the applicant is required to
10 establish its qualifications by licensure by
11 clear and convincing evidence including the
12 statutory criteria of integrity, honesty,
13 good character and reputation, financial
14 stability, integrity, and background.

15 KGM Gaming, LLC was originally
16 formed in 2003. Howard Weiss, one of the
17 qualifiers, was one of the founders. It's a
18 Philadelphia, Pennsylvania-based distributor
19 of gaming machines as well as supplier of
20 slot bases, custom designed seating, signage,
21 and graphics to casinos. It's stated purpose
22 with respect to the Massachusetts casino is
23 to provide Ainsworth Game Technology
24 products. Ainsworth is a distributor of slot

1 machines and they are currently utilizing a
2 temporary Gaming Vendor - Primary license
3 here in Massachusetts. They are intending to
4 distribute their slot machine, slot bases,
5 custom casino seating and casino signage with
6 the licensed gaming establishments in
7 Massachusetts.

8 To date, KGM, LLC has conducted
9 business in Massachusetts pursuant to a
10 temporary license that issued in April
11 of 2015. As part of the investigation, the
12 IEB, among other things, reviewed the
13 materials submitted as part of their
14 application; they requested and reviewed
15 supplement information; gathered information
16 from a variety of governmental and
17 nongovernmental sources and databases;
18 conducted criminal record checks; verified
19 the accuracy of information provided as part
20 of their application; reviewed investigative
21 information from gaming regulators from other
22 jurisdictions relative to their licensure;
23 and communicated through the course of the
24 investigation with Ms. Kingston, the

1 compliance officer. They also conducted a
2 site visit to the offices of KGM Gaming
3 located in Philadelphia, Pennsylvania and
4 conducted interviews of the qualifiers. They
5 reviewed their compliance manual, compliance
6 history, and minutes of its compliance
7 committee meetings, and the applicant was
8 fully cooperative and forthcoming all
9 respects.

10 They do not have someone here today
11 for purposes of this licensure discussion.
12 They have no criminal record, and there were
13 no civil litigation instances that threaten
14 the economic viability of the business or
15 would negatively impact the licensure. They
16 researched available online and print media
17 and surfaced substantial coverage of their
18 gaming operations, but no material that would
19 negatively impact their suitability.

20 The IEB also evaluated KGM Gaming
21 for financial suitability by performing
22 financial analysis and verification of
23 financial information. There was no
24 derogatory information indicating that KGM

1 Gaming did not possess the requisite
2 financial stability, integrity, and
3 background to be licensed as a Gaming Vendor
4 - Primary. The IEB also performed the
5 requisite background of the four individual
6 qualifiers, and there was no derogatory
7 information uncovered there that would
8 negatively impact the recommendation.

9 With respect to their compliance
10 performance, we do note that KGM established
11 a compliance program and a compliance manual
12 as a condition of its licensure in 2012 by
13 the Ohio Casino Control Commission. We
14 reviewed the various specifics of their plan
15 and manual, and investigators determined the
16 written compliance materials are
17 satisfactory, and KGM's new compliance
18 officer is currently taking efforts to align
19 the company's compliance activity with the
20 strict provisions of the manual, including
21 areas of maintaining minutes and performing
22 due diligence of customers and vendors.

23 So in conclusion, the IEB is
24 recommending that the Commission approve the

1 Gaming Vendor - Primary license for KGM. I
2 am requesting the condition that KGM report
3 to the IEB in writing at six-month intervals
4 starting in February 2017 with a description
5 of its compliance activities and compliance
6 efforts, putting the burden on them just to
7 monitor that they are, in fact, going forward
8 with what they had indicated they're doing
9 with respect to compliance in the company.

10 COMMISSIONER CAMERON: That's a
11 question I had was about compliance and how
12 we -- they made assurances, but how are we
13 going to follow up.

14 MS. WELLS: Correct.

15 COMMISSIONER CAMERON: So certainly
16 I agree with that. And if I read the report
17 correctly, it's not that compliance actual
18 violations were --

19 MS. WELLS: Correct.

20 COMMISSIONER CAMERON: It's just the
21 fact that they were not following every
22 aspect of the new manual.

23 MS. WELLS: Correct.

24 COMMISSIONER CAMERON: And they

1 admitted to that and made assurances that
2 they would, in fact, correct those
3 shortcomings.

4 MS. WELLS: Correct. And when we
5 look at compliance, we also look at the type
6 of company, the size of company, what they're
7 doing. So what we may require for compliance
8 for one company may be at a certain level and
9 another lower level company may be at a
10 certain level just based on what they're
11 doing, what their resources are. So it's
12 sort of a risk-based analysis based on what
13 they're doing and their resources and their
14 activity, what's appropriate.

15 So what they've established is
16 appropriate. We just want to confirm that
17 they're following along and put the burden on
18 the applicant to notify us or what's going
19 on. No particular concern there though.

20 CHAIRMAN CROSBY: So that wasn't --
21 Ohio didn't put that criteria out because
22 there had been some big problem?

23 MS. WELLS: Correct. They just
24 noted -- And it was a smaller company. It

1 was one entity. There was four individual
2 qualifiers, a smaller company. So that was
3 the recommendation to sort of push them in
4 that direction that certainly was helpful,
5 and we're just following along that path.

6 CHAIRMAN CROSBY: Okay. Discussion?
7 Anyone want to move? Commissioner Cameron?

8 COMMISSIONER CAMERON: Yes.
9 Mr. Chair, I move that we approve KGM Gaming,
10 LLC for full licensure.

11 CHAIRMAN CROSBY: Second?

12 COMMISSIONER STEBBINS: Second.

13 CHAIRMAN CROSBY: Further
14 discussion? All in favor? Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER MACDONALD: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 CHAIRMAN CROSBY: Opposed? The ayes
20 have it unanimously.

21 COMMISSIONER ZUNIGA: One point of
22 clarification. Remind me, with the proposed
23 changes we have to the other regulations,
24 will we continue to see these

1 Gaming Vendor - Primary?

2 MS. WELLS: That's an excellent
3 point. The next item on the agenda under the
4 proposed regulation changes in 134, the IEB
5 will have the authority to grant these
6 licenses. My recommendation to the
7 Commission, because we will still be doing
8 these reports, is we will have them available
9 to the Commissioners to review.

10 I have found that the process of
11 doing these investigations and doing the
12 reports and reading the reports has been
13 invaluable and it's giving us a level of
14 understanding of not only the companies, but
15 the gaming industry in general. So my
16 recommendation would be that the
17 Commissioners review these as well, because
18 they are very well done, and it's been
19 invaluable and sort of the upping the level
20 of the sophistication in the IEB and the
21 Commission in general. So that's...

22 COMMISSIONER ZUNIGA: I was going to
23 make that point actually. I enjoyed reading
24 these reports. I think they're very well

1 done. I focus on the financial aspect, and
2 it's usually very clear and very helpful for
3 me personally to understand the business
4 model how these companies operate here and
5 elsewhere. But I did want to acknowledge
6 that this is perhaps the last one publicly --

7 MS. WELLS: Good point.

8 COMMISSIONER ZUNIGA: -- that we
9 will have, and then we will look to follow up
10 on that notion from time to time coming to
11 see some of the work that you do.

12 MS. WELLS: We always welcome the
13 visiting Commissioner.

14 COMMISSIONER ZUNIGA: Thank you.

15 CHAIRMAN CROSBY: Let's take a quick
16 break before we go to Item Number 5.

17 (Break taken.)

18 CHAIRMAN CROSBY: Okay. We are
19 ready to reconvene Public Meeting Number 207
20 at about 11:25. Catherine Blue.

21 MS. BLUE: You have in your packet
22 today, Commissioners, the amended small
23 business impact statement for 205 CMR 134,
24 the licensing regulation. The draft

1 amendments to the regulation are also in your
2 packet. You'll notice that the changes that
3 are in red are the changes that have come
4 before you before. The changes in green are
5 new, although the changes in green are not
6 material. They simply clarify the IEB's
7 ability to administratively close an
8 application, which is appropriate.

9 These amendments have been through
10 the formal promulgation process. So with
11 your approval today, we will finish that
12 process. We had a public hearing. The
13 comments that you have in your packet are all
14 the comments that we've received and we've
15 reviewed and taken those into consideration.
16 With your approval, we would like to take
17 this through and finish up these amendments.

18 COMMISSIONER ZUNIGA: Remind me,
19 these are -- we adopted some regulations by
20 emergency first.

21 MS. BLUE: Yes.

22 COMMISSIONER ZUNIGA: And we're
23 about to adopt other regulation changes.
24 They happen to be on the same --

1 MS. BLUE: The whole package --

2 COMMISSIONER ZUNIGA: The whole
3 package.

4 MS. BLUE: -- will now be final.
5 The ones you did by emergency we adopted.
6 Some of them are included in here, but this
7 is the entire package of amendments that
8 we've talked about for 134 so far.

9 COMMISSIONER ZUNIGA: So this small
10 business impact statement -- Well, the
11 regulations changes that we have in our
12 package that we might adopt formally soon in
13 the text item eliminates the form that was
14 currently on the regulation, correct?

15 MS. BLUE: Yes.

16 COMMISSIONER ZUNIGA: And sets a
17 process by which we will approve the form at
18 a later time.

19 MS. BLUE: That's right.

20 COMMISSIONER ZUNIGA: What if the
21 form is more -- contains more information
22 let's say than it used to, would that not be
23 an impact on small business?

24 MS. BLUE: Well, the impact on small

1 business, it kind of depends. It possibly
2 could if it was a small business that was
3 applying for a license. Whether that would
4 be a significant enough impact to matter
5 under the amended small business impact
6 statement, we'd have to look at what the
7 specifics were. I don't think so. I mean, I
8 don't envision us having a form that would be
9 that much more difficult for small business.
10 The biggest impact for a small business would
11 be the amount of time it takes to complete
12 the form. And I know we're looking very
13 closely to try to make the form as
14 streamlined and easy to fill out as possible.

15 But we will look at the form. The
16 Commission will see the form as well. I
17 think if we needed to go through and do
18 something in a regulatory manner, we would
19 certainly do it at that time.

20 COMMISSIONER ZUNIGA: But the vague,
21 if you will, language here is appropriate in
22 your opinion because the amendments, although
23 we don't know, the amendments are intended to
24 streamline, and to the extent they apply to a

1 small business, that will be the case.

2 MS. BLUE: Yes.

3 COMMISSIONER ZUNIGA: But there is,
4 of course, no guarantee.

5 MS. BLUE: Yeah. No. That's right.
6 But we will certainly do our forms with that
7 in mind.

8 COMMISSIONER STEBBINS: I had the
9 opportunity to look through the changes.
10 Obviously, I'm still stuck on putting in the
11 de minimus exemption.

12 COMMISSIONER ZUNIGA: Even though
13 you lost that.

14 COMMISSIONER STEBBINS: Even though
15 I lost that, right. Thanks for the reminder.
16 In thinking about it a little bit further,
17 not to appear too stubborn on this issue, I
18 do think it's important for this Commission
19 to know everybody that our licensees are
20 doing business with. I also think
21 instituting the de minimus exemption is going
22 to add some hurdles to us in terms of
23 tracking and confirming the amount of
24 business that our licensees do with minority

1 women and veteran-owned businesses who might
2 likely be in the target group under this
3 \$10,000 threshold. And again, that could put
4 some additional constraints on us.

5 In personally speaking with the
6 licensing team, I don't believe that the
7 process of registration is that burdensome.
8 I think we have a very modest registration
9 fee. The registration is good for five
10 years. I would even entertain at some point
11 having, you know, a conversation about, you
12 know, eliminating the term of registration at
13 some point.

14 But, again, another argument I just
15 suggest is just I think it's a little too
16 early to consider this de minimus exemption
17 knowing where we are and that we don't have
18 -- I'm not going to remember Commission
19 Cameron's exact words, but we don't have a
20 great deal of experience under our belt with
21 respect to this matter and with respect to
22 doing this registration in conjunction with
23 our larger licensees.

24 I do stop and take a moment because

1 I do applaud a lot of the other changes that
2 we've made; removing the fingerprint
3 requirement, giving licensing the authority
4 to close an application file if it seems like
5 a dead end, as well as making sure somebody
6 who's seeking a registration can show some
7 possibility of conducting business with our
8 licensees and that they're not just flooded
9 with applications from a bunch of businesses
10 that have hopes of doing business. You know,
11 I applaud all those changes, but for me, the
12 de minimus one at this time where we are
13 right now with the life of the Commission and
14 where we are with respect to our last one
15 casino is preparing to open, I'm just not in
16 favor of instituting at this point.

17 CHAIRMAN CROSBY: Other comments on
18 that issue or anything else?

19 COMMISSIONER ZUNIGA: I thought we
20 were going to talk about the small business
21 impact -- I thought we were talking about the
22 small business impact statement. Did you
23 want to take those separately?

24 MS. BLUE: No. We can --

1 COMMISSIONER ZUNIGA: Can we hold
2 that until we get to the regulations?

3 MS. BLUE: No. We can approve them
4 all at once. Generally, that's what you
5 would have done. Commissioner Stebbins and I
6 do talk about his concerns about the de
7 minimus exemption. One of the things that we
8 may want to think about is how we get kind of
9 the information that Commissioner Stebbins is
10 talking about in terms of minority and
11 women-owned business, and I know we're
12 talking about it in the compliance committee
13 process as well, that we maybe do some kind
14 of auditing to get that information. There
15 are some reporting requirements from our
16 licensees that we ask them for that
17 information. So I do acknowledge that point,
18 and I think we have to give some thought to
19 getting that information as well.

20 COMMISSIONER CAMERON: I think it is
21 a good point and if there's -- it's being
22 thought through and I'm sure there's a fix
23 for that so that we do capture that
24 information.

1 In reading this, I see that -- the
2 real thrust here is using resources wisely,
3 and I know IEB has struggled with voluminous
4 applications where there is no indication at
5 all that they'll be doing business or just a
6 total lack of completing in a timely manner.
7 So I think this does provide that clarity
8 which I think is a good idea so that the
9 resources are being used wisely here. I'm
10 speaking to the changes in green.

11 COMMISSIONER ZUNIGA: You know, I
12 did want to speak about the comments that we
13 got if it's time to get into the regulations,
14 because I think reading some of the comments
15 from our own consultants, Michael & Carroll
16 and MGM especially, I think it's important
17 for us to consider a couple of things that --
18 I know if it's too late in the promulgation
19 process that we need to consider them at a
20 later time or if we could modify today or
21 later some of the language here to address
22 some of those comments, but I think it's
23 worthwhile discussing.

24 For example, in my read of the

1 first, one which they told us the last time
2 we saw this -- it's now articulated in
3 writing -- considering the exemption of a
4 public company that is not a nongaming vendor
5 -- I'm sorry, that is not a Gaming Vendor -
6 Primary but a nongaming vendor is something
7 worthwhile for us to consider. I think the
8 forms of registration and licensure, the
9 information that we gather through those
10 forms is available publicly and a lot more if
11 a company is regulated by the SEC. And what
12 we -- when the comments first came in through
13 the notion from Mr. Madamba, the counsel to
14 MGM, from the notion to consider it as part
15 of the exemption, I also thought about it in
16 terms of reciprocity. The principle of
17 reciprocity to any other jurisdiction in the
18 United States includes the federal government
19 in this context, and I think it might be
20 perfectly appropriate to include that as an
21 option for public confidence.

22 MS. BLUE: So I think in terms of
23 the process, when we brought these
24 originally, there's a lot of things we can do

1 to 134. This was never intended to be the
2 totality of changes to 134. So I think at
3 this point what would be helpful is to
4 approve what we have in terms of amendments
5 now, and we can certainly look at other
6 things and potential amendments, but the
7 things that we have in here now are things
8 that will make the IEB's life a lot easier in
9 terms of letting them process information.
10 But I think we all acknowledge there are
11 probably other things we can look at in 134
12 and look in more detail and perhaps make
13 changes in the future.

14 So I think what you've raised is a
15 good one. It's something we can take a look
16 at and see if that's a further amendment in
17 the future.

18 COMMISSIONER CAMERON: Well, what
19 was important to me was what we discussed as
20 a commission was a working group, and that's
21 one of the issues I followed up with, and
22 there, in fact, is working group that will
23 look at some of those issues and make further
24 recommendations. So I think it would be

1 premature to look at any of those other
2 issues now, but I am encouraged with the fact
3 that the working group is under way in
4 discussing some of these issues.

5 CHAIRMAN CROSBY: What's the working
6 group?

7 MR. BEDROSIAN: Mr. Chairman, I
8 think it's the group -- I don't know if we
9 talked about this publicly or not. But it
10 was certainly the group of IEB folks, myself,
11 Director Griffin, sitting down with MGM and
12 their folks specifically to talk about
13 licensing requirements.

14 CHAIRMAN CROSBY: Okay.

15 MR. BEDROSIAN: And sort of --

16 CHAIRMAN CROSBY: But there's also a
17 pending request that IEB is working on right
18 now from me and others which is to look at
19 two or three specific things. One is the
20 nongaming employees, the service employees;
21 the nongaming vendors; and certain issues
22 about outside directors and public company
23 directors. And they're putting together a
24 document that's similar to the way you guys

1 handled the report we just dealt with from
2 Carrie, which was great. Laid out, you know,
3 here's what other states are doing, here's
4 what other jurisdictions are doing, here's
5 some issues, here's our recommendation. And
6 that's independent. I know there's a working
7 group which was concerned about looking for
8 data having to do with is there a negative
9 effect, et cetera, but I think the MGM
10 memo -- the current MGM memo raises well the
11 issue that we've talked about ad infinitum on
12 should service employees -- do we have the
13 flexibility to determine whether service
14 employees are included under the ten-year
15 ban, A; and B, if we do, what do we want to
16 do with it. That's very much on the table
17 and not contingent upon the working group.
18 But I've asked that we get a presentation
19 that I've referred to with that with IEB as a
20 top to bottom review of these issues which
21 would include their perspective on these
22 issues and that is very much in the pipeline,
23 and I'm assuming it is coming along pretty
24 quickly.

1 I'm okay going ahead for the reasons
2 that you all have said, agreeing with
3 whichever of these current ones we want to
4 for reasons of the -- you know, because
5 they're good -- they're improvements in the
6 system, but I don't want that to impede this
7 other process which is still underway and is
8 important and should be going on in near
9 realtime. Are we okay on that?

10 MR. BEDROSIAN: Yes.

11 COMMISSIONER MACDONALD: I mean, if
12 I understand this correctly from what General
13 Counsel Blue said that we are asked in these
14 regulations only to approve those things
15 which are specifically covered in this draft.
16 The circumstance that we have received
17 commentary from MGM and from our own
18 consultants on issues outside of the subject
19 matter of the regulations which are I think
20 before us today does not infer or otherwise
21 imply that we have rejected the advice which
22 we've received from those other people. Is
23 that correct?

24 MS. BLUE: That's correct, yes.

1 CHAIRMAN CROSBY: Or any other
2 issues, and you were explicit about.

3 MS. BLUE: That's right.

4 CHAIRMAN CROSBY: I don't think
5 anybody misunderstands. Nobody is suggesting
6 that this is the end of the day, but there's
7 a timeliness as well here, and ideally it
8 would have been better if we could have done
9 it all together, but such is life. So yeah,
10 you're right.

11 COMMISSIONER ZUNIGA: Yeah. And I
12 do look forward, too, because side by side,
13 the comments from our consultants and MGM's
14 comments on the topic of registrants I think
15 is right on point, something we discussed
16 before and something that I feel we should
17 revisit, and I look forward to that revisit.

18 CHAIRMAN CROSBY: Okay. If somebody
19 else has any. I had one thing. I may just
20 be reading this wrong. But on page 30 in the
21 middle of the page, it says "the Bureau and
22 Commission shall deny an application for a
23 key gaming employee license, gaming employee
24 license, or gaming vendor license" and then

1 cross out "or gaming vendor qualifier." Then
2 in 4 right down below, it includes an
3 applicant may provide proof of rehabilitation
4 for a gaming vendor qualifier. So gaming
5 vendor qualifier is not in 3 but is in 4. Is
6 that an inconsistency?

7 MS. BLUE: We will take a look at
8 that.

9 MS. LILLIOS: I think I can address
10 that after commending you for that very
11 careful reading. I'm really impressed. So
12 the distinction is that that --

13 CHAIRMAN CROSBY: Even the blind
14 squirrel finds an acorn once in a while.

15 MS. LILLIOS: No. No. I didn't
16 mean that. A qualifier for a gaming vendor
17 does not get licensed; however, a qualifier
18 for a gaming vendor, whether it's an entity
19 qualifier or an individual qualifier is still
20 subject to a suitability determination.

21 So that person or potentially an
22 entity might need to show rehabilitation if
23 they -- you know, there are no automatic
24 disqualifiers for a qualifier, but the

1 person's background might require that he or
2 she have to show rehabilitation for a finding
3 of suitability that ultimately would impact
4 whether the applicant company should be
5 licensed. So that's the distinction between
6 Subsection 3.

7 CHAIRMAN CROSBY: Wow. My get was
8 good and your explanation was even better.
9 All right. So I think I might have had
10 something else.

11 COMMISSIONER ZUNIGA: You know, I
12 had a couple of questions for clarification
13 just based on PPC'S comment, which strikes me
14 as they came after -- without the context of
15 the discussion we had last time around,
16 either before or after, but without the
17 context of some things like the de minimus
18 exemption, which we discussed.

19 MS. WELLS: Right.

20 COMMISSIONER ZUNIGA: The other
21 comment they raised is one of the timing.

22 MS. WELLS: Correct.

23 COMMISSIONER ZUNIGA: And our
24 regulations have in essence, as soon as you

1 submit the required documentation, we will
2 conduct a preliminary review --

3 MS. WELLS: Right.

4 COMMISSIONER ZUNIGA: --
5 quote/unquote and then issue a temporary
6 license.

7 MS. WELLS: Correct. And
8 registrants go straight through.

9 COMMISSIONER ZUNIGA: Go straight
10 through.

11 MS. WELLS: I think for the data
12 analysis we've done, for temporary licenses
13 where there are no issues, they're filling
14 out the forms correctly, doing what they're
15 supposed to do, those get done within a
16 matter of days. So I'm not concerned about
17 that. I think what will help though, two
18 things. One, the administrative closure
19 regulation, which I'm hoping you will pass
20 today, will allow us to shut down an
21 application where an applicant is not being
22 responsive. Because that's not fair to the
23 casino and it's not fair to the investigators
24 to have this going on and you ask for a

1 question and you get a delay.

2 COMMISSIONER ZUNIGA: Right.

3 MS. BLUE: If we can just shut it
4 down, that gives the casino some certainty
5 where an applicant is not being responsive.
6 The other issue, and PPC in general, they are
7 specifically bringing out a new HR director.
8 Working with the casinos to do work on the
9 front end so that those applicants are
10 prepared for the process is critical and
11 that's something we've communicated over and
12 over.

13 You know, if an applicant, you know,
14 submits something, for example, in, you know,
15 say a higher level license and their
16 financials are filled out incorrectly, that's
17 going to cause a delay. That's not something
18 on the IEB. So collaboratively working with
19 the applicant and also the casinos on
20 education preparing for the process is
21 instrumental in getting this done in a timely
22 manner.

23 Also we're finding the LMS system as
24 we're working it, that is working very well

1 and that also helps with the timely
2 turnaround. So I think we're in good shape
3 substantively. These can be turned around
4 very quickly, but we need the applicant to be
5 cooperative in that process.

6 COMMISSIONER ZUNIGA: Right. No.
7 And I guess my comment was along those lines
8 as in once -- if we all start with the
9 assumption that everything was submitted
10 accordingly, then the preliminary review
11 doesn't take long.

12 MS. WELLS: No, it does not.

13 COMMISSIONER ZUNIGA: The temporary
14 license, that there should not be a lag of
15 time.

16 MS. WELLS: Right.

17 COMMISSIONER ZUNIGA: There's an if
18 which we're addressing.

19 MS. WELLS: Right.

20 COMMISSIONER ZUNIGA: And that's an
21 excellent point on the closure, but there is
22 no concern as far as I can see in terms of
23 turnaround time.

24 MS. WELLS: No. And what we're

1 finding also, even with the GEL level is
2 we're even able to do the full license so
3 quickly, we're even skipping the temporary
4 license and just issuing a full license. The
5 last, you know, review I did, you know, I
6 forget, maybe 50, 60 percent of those are
7 even just getting straight to the full
8 license because we're done within a matter of
9 days.

10 If someone's got a very clean
11 background, this is very easy. It's when
12 there are issues that they are nonresponsive,
13 where there's false information on the
14 application or something's not disclosed,
15 that's when you get into trouble.

16 So, you know, there's not much we
17 can do about that. We have to do our jobs
18 and we have to do the best --

19 COMMISSIONER ZUNIGA: But even in
20 that scenario, we've improved significantly
21 --

22 MS. WELLS: Exactly.

23 COMMISSIONER ZUNIGA: -- in taking
24 important steps to improve.

1 MS. WELLS: Exactly. By
2 coordinating with the casinos to educate
3 these individuals on the front end is that's
4 the key and getting substantive work done on
5 the front end so that it can run straight
6 through the process.

7 CHAIRMAN CROSBY: Any other
8 questions or discussions? Should we --
9 Commissioner Stebbins has expressed
10 reservations or disapproval of one feature --
11 no. Yeah, the de minimus. Right.

12 COMMISSIONER ZUNIGA: Which we voted
13 on.

14 CHAIRMAN CROSBY: Which we've
15 already voted on, but I don't know whether
16 you would like an opportunity to have a
17 separate vote on that again or would you be
18 willing to go up or down on the whole
19 package?

20 MS. BLUE: I would suggest that you
21 go up or down on the whole package but that
22 we note for the record that
23 Commissioner Stebbins does not agree with
24 this provision, and we'll make sure it's in

1 the record so it's clear.

2 CHAIRMAN CROSBY: Did you vote with
3 Commissioner Stebbins?

4 COMMISSIONER CAMERON: I did not.

5 CHAIRMAN CROSBY: You voted for a
6 vote for --

7 COMMISSIONER CAMERON: I did. I was
8 being a little more cautious, but still
9 agreed with the concept.

10 CHAIRMAN CROSBY: Okay. That's fine
11 with me if that works for both of --

12 COMMISSIONER STEBBINS: Yep.

13 CHAIRMAN CROSBY: General Counsel
14 Blue and Commissioner Stebbins.

15 Is there anything else in here in
16 red or green or black for that matter that
17 anybody wants to talk about that has any
18 serious objections to, other than other
19 issues still on the table.

20 COMMISSIONER ZUNIGA: Yeah, still on
21 the table. I would put for consideration for
22 a future, the future discussion whether we
23 take it up on the nongaming vendors, the
24 notion of publicly traded companies.

1 CHAIRMAN CROSBY: Pubically traded
2 companies, that was a suggestion.

3 COMMISSIONER ZUNIGA: I think that's
4 very relevant.

5 CHAIRMAN CROSBY: That was not one
6 we talked about previously, but we add that
7 onto the list.

8 MS. WELLS: And I agree with
9 Commissioner Zuniga that's a very valid
10 discussion point.

11 CHAIRMAN CROSBY: Okay. Anything
12 else? Do we have a motion on the package?

13 COMMISSIONER MACDONALD: I can move.
14 I move that the Commission approved the
15 amended small business impact statement and
16 final amended version of 205 CMR 134 as
17 included in the packet and authorize the
18 staff to take all steps necessary to file the
19 regulation with the Secretary of the
20 Commonwealth and complete the regulation
21 promulgation process.

22 COMMISSIONER CAMERON: Second.

23 CHAIRMAN CROSBY: Further
24 discussion? All in favor? Aye.

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER MACDONALD: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 CHAIRMAN CROSBY: Opposed?

5 COMMISSIONER STEBBINS: No.

6 CHAIRMAN CROSBY: The ayes are
7 Commissioner Cameron, Commissioner Macdonald,
8 Chairman Crosby and Commissioner Zuniga. Nay
9 is Commissioner Stebbins. Okay. We're all
10 set. Thank you very much.

11 Now we have Item Number 6, Director
12 Vander Linden. Do we need a break?

13 MR. VANDER LINDEN: Good morning.

14 CHAIRMAN CROSBY: Good morning.

15 COMMISSIONER CAMERON: Good morning.

16 MR. VANDER LINDEN: Pardon me?

17 COMMISSIONER ZUNIGA: Good morning,
18 Mark.

19 MR. VANDER LINDEN: Sorry. I'm
20 joined with Teresa Fiore, who's going to help
21 me out with this discussion.

22 I want to talk to you about
23 advancing play management tools to Category 1
24 casinos. Specifically, the issue is as

1 Category 1 licensees are in the process of
2 the developing their casino management
3 systems, it may be advantageous to have
4 direction from the Commission on how to
5 proceed in the development of these play
6 management tools.

7 By way of background, and we've
8 discussed this several times before over the
9 course of the past couple of years, but I
10 think for the record it's important to review
11 once again. A key element of the responsible
12 gaming framework is strategy two, which is to
13 support informed player choice. This
14 identifies and describes measures to support
15 players' efforts to responsibly manage their
16 gambling. Section 2.2 titled "Play
17 Information and Management Systems" describes
18 specific tools to implement this strategy,
19 including the availability for players to set
20 limits on the amounts spent gambling. Play
21 management tools allow patrons to commit to a
22 budget or budget an amount to spend prior to
23 the gambling session. It's intended to help
24 players make decisions about gambling, allow

1 them to monitor and understand their playing
2 behavior in real time.

3 In January of 2015, two years ago,
4 the Commission voted to adopt a play
5 management system that included budget
6 setting tools on a test basis at Plainridge
7 Park Casino. So over the course of
8 18 months, key stakeholders including Penn
9 National Gaming, Scientific Games, the Mass.
10 Gaming Commission, the Cambridge Health
11 Alliance, Division on Addiction worked to
12 create and implement a tool for electronic
13 gaming machines or slots machines in
14 Massachusetts. And on June 9th, the play
15 management branded Play My Way was launched.

16 Play My Way is a voluntary program
17 offered as a benefit to marquee reward card
18 members at Plainridge Park Casino. Players
19 have the opportunity to enroll in the program
20 at any slot machine, GameSense kiosk, or at
21 the GameSense info center. As an incentive,
22 first-time enrollees receive a \$5 food credit
23 that's redeemable at any of the food vendors.

24 The program prompts cardholders to

1 set daily, weekly, and/or monthly budgets to
2 track their spending while at PPC. Once
3 enrolled, patrons receive automatic
4 notifications as they approach 50 and
5 75 percent of the budget that they've spent.
6 Players will not be penalized for reaching
7 one hundred percent of their budget but will
8 receive notifications at every 25 percent
9 thereafter. A player can choose to stop at
10 any point or keep playing. Players can
11 unenroll or adjust their budget at any time
12 from the slot machine or the GameSense kiosk.

13 Teresa is going to kind of run
14 through with you or reacquaint you with some
15 of the screen shots and then cover some of
16 the enrollment numbers to date.

17 MS. FIORI: Thank you. So just to
18 illustrate what Mark said, I've included some
19 screen shots of the different screens for
20 Play My Way as they actually appear on the
21 gaming floor. Also to reiterate, these
22 screens, if someone chooses to access them,
23 will pop up on any game or slot machine on
24 the floor, rather.

1 It's important to know that this is
2 completely voluntary, not just to enroll in
3 the program, but also to unenroll from the
4 program and to adjust your budget on a daily,
5 weekly, and monthly increment. However you
6 choose to use the program, that's what we
7 like to provide to people.

8 And I also grabbed a screen shot of
9 the screen that appears when someone
10 approaches their limit notification, so
11 depending on what that number is, how it is
12 set, it will pop up and provide a reminder,
13 hey, you've reached 25 percent of your set
14 budget for this play. And that will exceed
15 one hundred percent. It won't stop play at
16 all, but it will continue at 25 percent
17 intervals. And as I said, enrollment is
18 completely voluntary at any time, so I
19 included that as our last screen shot on this
20 page.

21 This is a bit out of order, but I
22 also included some photos of the Play My Way
23 launch back in June 9th of last year. So
24 we're over six months into program now.

1 If we go to the next slide, this
2 gives the raw numbers for enrollment and
3 unenrollment on a monthly basis. The total
4 since launch on June 9th up through the end
5 of November is 7,319 patrons who have
6 enrolled in the program, 1,048 patrons have
7 unenrolled from the program. So that's a
8 14 percent unenrollment. And if you compare
9 on a monthly basis, the enrollment and
10 unenrollment has remained pretty static.
11 Which I know we can't exactly compare this to
12 anything because it's the first of its kind,
13 but as far as any program goes, that
14 steadiness is something that we want to see.

15 CHAIRMAN CROSBY: I mentioned this
16 to Mark, but I think we ought to always have
17 a net number so -- because it's easy to slip
18 into saying we have 7,800 enrollees. We have
19 had 7,800 but now we have whatever it is,
20 6,400 or whatever that number is. So we just
21 ought to feature on these charts the net
22 current number of people actually in the
23 program.

24 MS. FIORI: So if we go on to the

1 next page, we broke that down to percentage
2 and that is 7.88 percent, so just shy of
3 eight percent who were enrolled in the
4 program. And so I pointed out the green you
5 see on the chart are unique MR, which is
6 marquee reward cardholders. Those are the
7 greatest players for PCC. Those are the only
8 patrons who are eligible to enroll in the
9 program because without that tracking, we
10 wouldn't be able to know what their budget is
11 as they switch to different machines.

12 MR. VANDER LINDEN: Just to clarify,
13 that's for marquee reward cardholders that
14 have visited Plainridge Park Casino from the
15 period of June 9th to November 13th.

16 CHAIRMAN CROSBY: And again, we
17 talked about this with Mark, but in due time
18 as part of the evaluation, it's very
19 interesting to know what percent of marquee
20 reward cardholders who have come to
21 Plainridge and used their card at least once,
22 but it will also be interesting to know of
23 the people who are regular players, what is
24 the -- our 7,800 or our net 6,400, do they

1 come from some familiar cohort of that
2 100,000 or so marquee reward cardholders or
3 what. If it's somebody -- I'm just making
4 this up, but if 30 percent of the marquee
5 rewards cardholders only came once or twice
6 or three times in six months, having them
7 signed up is not particularly relevant to
8 them because they're clearly not people who
9 are probably at risk. But if we signed up
10 seven or eight, six or seven thousand of the
11 70 percent who are regular players, then it's
12 a much higher percentage of the real target
13 audience. So there's a lot of analysis that
14 can be done of this that will help us tell
15 are we really having the impact we want.

16 COMMISSIONER CAMERON: Yeah. And I
17 would look forward to the analysis on how
18 many of those folks continue after the
19 hundred percent or do in fact stop at --

20 CHAIRMAN CROSBY: Right. That's all
21 coming, too. That's part of the CHA
22 analysis.

23 COMMISSIONER CAMERON: June or July.

24 MR. VANDER LINDEN: Right. Yes.

1 We're saying June of 2017.

2 CHAIRMAN CROSBY: That will be
3 fascinating.

4 MR. VANDER LINDEN: Quite honestly,
5 that's the heart of the issue is that those
6 types of details, that type of information is
7 so very important in determining
8 effectiveness of this type of tool. The data
9 is being collected by Harvard Medical School,
10 Cambridge Health Alliance, Division on
11 Addiction. We should have that information
12 in hand by the end of June of this year to
13 provide to you so you can make that type of
14 informed decision about where to go.

15 CHAIRMAN CROSBY: Great.

16 MR. VANDER LINDEN: All right. So
17 going back to just kind of providing you with
18 an update and overview about what's happened
19 during the past 18 months and some kind of
20 insight along the way, the development and
21 implementation of Play My Way.

22 Some of the anticipated challenges
23 that we initially expected in the development
24 of Play My Way were actually eased because

1 Plainridge Park Casino chose Scientific Games
2 for their casino management system. And
3 Scientific Games had previously developed
4 such a tool such as what the industry
5 considers a pre-commitment type of tool in
6 several other jurisdictions.

7 That said, it wasn't entirely easy.
8 There were a number of very specific
9 requirements that the Commission had directed
10 for this tool; that it is completely
11 voluntary, it doesn't shut you off after you
12 reached the budget that you had set, et
13 cetera. All of that needed to be built in
14 and modified to the existing pre-commitment
15 module that Scientific Games or Bally had
16 already previously developed.

17 The total cost for this was that we
18 have with Scientific Games is \$172,000 to
19 date. It included three very basic tasks.
20 It included the development, which included
21 the modifications to the existing
22 pre-commitment software to comply with our
23 standard. It included building the datasets
24 for evaluation. I have to say this was a

1 much more difficult and complex task than
2 what we had originally anticipated, and
3 hence, we needed to build that into the
4 budget we had with Scientific Games in order
5 to get Cambridge Health Alliance the data
6 that they need in order to do the evaluation
7 we expect.

8 And the final was the installation
9 of Play My Way and the MGC gaming lab. Play
10 My Way is up and running and in our gaming
11 lab right now. The purpose of that is for us
12 to do our own testing but also to do
13 demonstrations.

14 Beyond that is the part that has
15 been very important is the collaboration of
16 this. It's been a well-orchestrated effort
17 with key stakeholders. I want to point out
18 that Plainridge Park Casino has been an
19 excellent partner in the development of Play
20 My Way. When barriers were hit, when we had
21 challenges, they were there at the table
22 helping us to try to overcome such barriers.

23 Also I want to point out our
24 GameSense advisors, which is another insight

1 sort of aha moment since we launched this
2 that they have been amazing champions in the
3 implementation of Play My Way. And when we
4 talk about the numbers of people that have
5 enrolled, I can't disentangle that from the
6 effort of our GameSense advisors and the
7 overall GameSense program to say that I give
8 them a lot of credit for the number of people
9 who have enrolled and have bought into the
10 program.

11 So I also wanted to point out just
12 the communication plan. So Plainridge Park
13 Casino, our GameSense advisors, the Mass.
14 Council on Compulsive Gambling work together
15 with us to implement a well thought out
16 communication plan and that was also an
17 important and key factor in its launch.

18 I'm going to move on to talk about
19 evidence of effectiveness. We've already
20 talked about just how important it is for us
21 to evaluate Play My Way in order to make a
22 solid decision as we move forward. The
23 Commission, at the time the Commission
24 adopted the play management tools, the

1 evidence of their effectiveness was
2 inconclusive. Several studies had been done,
3 but the evidence was lacking. And this was
4 largely because very few jurisdictions had
5 implemented play management tools and even
6 fewer had evaluated them. Play management
7 tools had been inconsistently implemented
8 from one jurisdiction to the next. Where
9 evaluation had been done, there were a number
10 of methodological errors. And while I have
11 to say that it's still very early to
12 determine the utility and effectiveness of
13 play management and similar types of tools,
14 there are a few new studies that have come
15 out since the time that we've reviewed the
16 evidence to date that I think are worth
17 noting. And while this isn't a comprehensive
18 literature review by any stretch of the
19 imagination, I point out two specific
20 studies. And I point these out because
21 Teresa and I have been working -- have had
22 conversations with Michael Wohl who is the
23 author of these two studies.

24 The essence of it is that in our

1 conversations I say we, as we move forward in
2 trying to make a decision about Play My Way,
3 struggled to really define its effectiveness,
4 define how effective it is.

5 Dr. Wohl's response to that is,
6 well, through my -- the studies that I've
7 conducted, I don't feel that we struggle with
8 determining what the effectiveness is. We
9 struggle with achieving a certain level of
10 uptake in order to justify the cost of the
11 tool. Dr. Wohl is evaluating a similar
12 program in Ontario called My Play. So we
13 look forward to ongoing collaboration with
14 him as we continue to lead our evaluation.

15 COMMISSIONER CAMERON: Could you
16 elaborate on that distinction, why this
17 doctor feels like we don't struggle with
18 effectiveness if, in fact -- I mean, if it's
19 not being used, how can he be confident it's
20 being effective.

21 MR. VANDER LINDEN: Well, the two
22 studies he points out, I feel like, provide
23 some strong evidence of the effectiveness of
24 these type was of tools. Some of, you know,

1 the barriers are that one of the studies that
2 he had done was taking a look at internet
3 gambling and the use of play management tools
4 or this type of tool in an internet setting.
5 Obviously, distinctly different from when
6 you're setting at a slot machine in a casino
7 and how people may or may not respond to such
8 behavioral feedback.

9 So it's based on his own research on
10 this topic that he feels confident in its
11 effectiveness.

12 COMMISSIONER CAMERON: Okay. I hear
13 you. I just am not sure how he makes that
14 conclusion without the tool being used.

15 CHAIRMAN CROSBY: If nobody's using
16 it, how can it be effective, right?

17 COMMISSIONER CAMERON: Yes.

18 MS. FIORE: I can get into the
19 second one a little bit. I was up late last
20 night reviewing these studies so it's fresh
21 in my mind. The 2016 article which is
22 currently under review is set up similarly to
23 the Play My Way study that we're conducting
24 now in that it surveys patrons who use this

1 Canadian-based play management tool within
2 their casino play, and it measures their
3 perceptions of their play before they began
4 using the tool and after they started using
5 it, and it compared that to their actual play
6 behavior. And the big finding was that their
7 perception after using it was that, yes, it's
8 probably not going to make much of a
9 difference. When they actually went in and
10 studied the amount they wagered, it was
11 lower. So it did have that positive effect
12 that he was hoping to find in that study.

13 CHAIRMAN CROSBY: But the question
14 that Commissioner Cameron is asking was the
15 second part, the second clause in this. You
16 have sort of slightly misspoken here, Mark.
17 I read those studies, too, and I understood
18 that he deduced that to the extent that the
19 data said anything, it seemed to suggest
20 there was a, quote, positive effect, but you
21 went on to say what we worry about is the
22 uptake, is the utilization of it. I didn't
23 see that in either of the studies, that there
24 was a question of not very many people using

1 it. So what was the point you were making
2 that --

3 COMMISSIONER ZUNIGA: On the uptake.

4 CHAIRMAN CROSBY: On the uptake. He
5 said we know -- in effect what you said was
6 we know there's positive signs that it works,
7 but we just don't wether anybody will use it.
8 That's what you seem to say.

9 MR. VANDER LINDEN: Right. So what
10 I think he was speaking specifically about
11 his work in Ontario and evaluating the
12 program is that one of their significant
13 challenges is getting enough uptake in order
14 to justify its use. In terms of the
15 effectiveness of it in the studies he had
16 done outside of Ontario, that he felt
17 confident in the effectiveness of such tools.

18 CHAIRMAN CROSBY: What was the
19 uptake on the Ontario on the My Play?

20 MR. VANDER LINDEN: He's in the
21 process of conducting the evaluation right
22 now. I don't have information about that.

23 CHAIRMAN CROSBY: That's what he
24 wrote about, didn't he. Isn't that what that

1 --

2 MR. VANDER LINDEN: NO.

3 CHAIRMAN CROSBY: That 2016 paper,
4 wasn't that -- Teresa, what you were just
5 referring to, wasn't that on My Play?

6 MS. FIORE: Um-hmm.

7 MR. VANDER LINDEN: Oh, okay.

8 MS. FIORI: Yeah. I can't remember
9 the name of the actual program off the top of
10 my head, but we can go back and get the
11 actual --

12 COMMISSIONER ZUNIGA: Is it fair --
13 I'm sorry I interrupted you.

14 MS. FIORE: That's okay.

15 COMMISSIONER ZUNIGA: Please finish.

16 MS. FIORE: That was actually it.
17 You came in right at the end.

18 COMMISSIONER ZUNIGA: Okay. Is it
19 fair to say that uptake by itself is not
20 going to explain effectiveness?

21 MR. VANDER LINDEN: By itself is not
22 going to explain effectiveness? Can you
23 explain further?

24 COMMISSIONER ZUNIGA: Is that what

1 you intended to say, can we look at uptake,
2 whatever percent, seven, eight, ten, 20, and
3 point to that by itself and say it's
4 successful, because people are increasingly
5 using it?

6 MR. VANDER LINDEN: I think that's
7 one measure of effectiveness that if people
8 are using it, there must be some value to it,
9 but I think that for us, we would like to
10 know more about how they're using it and how
11 is it -- if we're wanting to provide -- going
12 back to the responsible gaming framework,
13 that we're wanting to provide information to
14 players so they can make an informed choice,
15 in essence change their behavior based on the
16 information we're giving them, how effective
17 is it, how effective are we at communicating
18 that information to the patron.

19 Sheer uptake is certainly a factor
20 in that, and I believe if patrons were signed
21 up for it did not find it helpful, that the
22 unenrollment rate would be greater than
23 14 percent. But at this point, we're working
24 on speculation, and we're waiting for the

1 evaluation to provide more insight on to that
2 issue.

3 COMMISSIONER MACDONALD: Can I ask,
4 what's this word you're using? Is it uptick
5 or uptake?

6 MR. VANDER LINDEN: Uptake. How
7 many people are using it.

8 COMMISSIONER MACDONALD: How many
9 people are using it.

10 MR. VANDER LINDEN: Yes. How many
11 people are enrolling in it, and once they're
12 enrolled, how are they using it, and, again,
13 what impact would you have.

14 COMMISSIONER MACDONALD: I think
15 you've met with the rest of the
16 Commissioners, but you both met with
17 Commissioner Stebbins and me I think
18 yesterday or the day before, and I had raised
19 a question as to the appropriateness of your
20 using on the final page of the memorandum
21 that the enrollment in the program has been
22 robust in the first six months and that I was
23 wondering whether -- I asked whether the use
24 of the term robust was appropriate in the

1 circumstance of where it was still a very
2 small -- it was, what, 7.8, 8 percent of the
3 players are those with cards, and if I recall
4 right, that you said that it's robust by
5 comparison. Even though there is no other
6 program that is similar to Play My Way, that
7 the data, the information that's available to
8 date is participation is somewhere around one
9 percent.

10 MR. VANDER LINDEN: Correct.

11 COMMISSIONER MACDONALD: So that
12 what we're seeing here is robust in
13 comparison to other jurisdictions which have
14 at least begun to employ comparable measures;
15 is that accurate?

16 MR. VANDER LINDEN: That's correct.
17 About two years ago when the Commission was
18 contemplating the adoption of play management
19 tools, we worked with Judith Glen, who as a
20 consultant who went and explored the use of
21 play management or pre-commitment tools in
22 other jurisdictions. Basically any other
23 jurisdiction that had adopted such tools, she
24 went and looked at any evaluation efforts

1 they had done and did first-person interviews
2 where possible to gather additional
3 information.

4 The two issues that came up that
5 rose to the top -- this is simplifying it, I
6 admit, to a degree. But the two main issues
7 were the number of people who used it,
8 getting people to use it, because that was a
9 struggle and that's where I get that
10 information. And the other was proving its
11 effectiveness, showing that it's justified to
12 implement this on a floor, that it's an
13 effective responsible gaming tool.

14 And so since that time, those two
15 top issues we've paid very close attention to
16 through our work with Cambridge Health
17 Alliance as well as a very thoughtful
18 communication plan and collaboration with key
19 stakeholders. Any other questions about
20 that?

21 CHAIRMAN CROSBY: Let's do find out
22 what the comparable utilization rate is at My
23 Play, just out of the curiosity.

24 MR. VANDER LINDEN: Okay. So as

1 stated previously, Play My Way was adopted by
2 the Gaming Commission and Plainridge Park
3 Casino on a test basis, and it was the
4 Commission's intent to wait until further
5 evidence was gathered before making a final
6 decision of whether to promulgate play
7 management tools like Play My Way into
8 regulation that would apply to all licensees.

9 The issue is that Category 1
10 licensees are in the process of developing
11 their casino management systems, and it may
12 be advantageous to have direction from the
13 Commission on how to proceed. Absent
14 findings from the evaluation of Play My Way,
15 there are several factors that should be
16 considered if we're going to give guidance
17 now.

18 One, enrollment, as I say in here,
19 has been robust for the first six months and
20 unenrollment has actually been relatively
21 low. Again, I don't have anything to measure
22 that against, but just in overall
23 perceptions, it appears to be relatively low
24 to me. That there has been a steady flow of

1 new research and play management and similar
2 tools, and findings from these studies have
3 generally concluded their effectiveness in
4 helping recreational at-risk players.

5 Play My Way hasn't created a major
6 disruption on the gaming floor. Like any new
7 technology, there has been a few challenges
8 during implementation, but they have been
9 relatively quickly mitigated.

10 And finally, anecdotally, we've
11 received feedback from patrons that's been
12 quite positive. They believe the tool is
13 useful and appreciate the availability of
14 this resource.

15 Based on the information outlined in
16 this memo and the Commission's commitment to
17 engaging a precautionary approach to the
18 responsible gaming initiatives it supports, I
19 recommend the Commission draft regulations
20 that would give Category 1 licensees
21 directions on requirements to develop play
22 management tools. However, a final decision
23 to formally adopt play management should wait
24 until we receive findings from the evaluation

1 that is currently being conducted now by the
2 Cambridge Health Alliance.

3 CHAIRMAN CROSBY: We talked about
4 this. Commissioner Zuniga and I talked about
5 this with Mark in advance, so just to clarify
6 what I think we're saying here. To the
7 extent that any of our licensees, Wynn and
8 MGM, need a word from us as to whether or not
9 we're going to require them to do play
10 management prior to our having the final
11 report in June or July, if you have to do
12 something, if you have to lay some wire, you
13 should assume we're going to say yes and keep
14 your options open. Hopefully they won't have
15 to lay any wire or spend any money prior to
16 June or July, but they might and we'll
17 coordinate with them to see.

18 So we're saying that so far the data
19 is fundamentally anecdotal, but what we have
20 in the context of what little we know about
21 this is it looks like we probably will. If
22 we had to guess right now, we'd say we
23 probably will require it. And we would not
24 want our licensees to set up their own

1 central management systems without retaining
2 the option of layering in Play My Way if
3 indeed we end up saying so. So we will try
4 to wait until we get all the data before we
5 have to make real serious decisions, but if
6 they need word from us earlier than that,
7 they should assume yes.

8 MR. BEDROSIAN: Mr. Chairman, I
9 think on that point and so to sort of circle
10 back to a theme at the beginning of the
11 meeting about consistently getting feedback
12 from our licensees, it does strike me that
13 there's probably a technology drop dead point
14 where the licensee might say, look, if you
15 don't tell -- We can put the hardware in
16 place, we can have all the hardware in place,
17 but designing the system, because as I
18 understand it, they're not going to have the
19 same play management system as PPC does so
20 it's not going to be an off-the-shelf
21 product. It has to be designed, and there is
22 some lead time obviously into that.

23 So we can start to explore with them
24 even informally. Just tell us if you say,

1 you know, boy, it would be very, very hard X
2 months out if you flip the switch on us.
3 Again, to your point about continuing in
4 feedback, we'll look into that.

5 CHAIRMAN CROSBY: That may be a role
6 for Joe to help you in his interface role.

7 MR. BEDROSIAN: Yeah. Or our CIO
8 also.

9 CHAIRMAN CROSBY: Yeah. Right.

10 John, also, is that -- John, can you
11 come up because I did want to ask you some
12 questions.

13 COMMISSIONER MACDONALD: I just
14 meant to the extent, though, that, you know,
15 this issue is on the table as presented by
16 Mark and Teresa that I think it's appropriate
17 for us today to share our tentative opinions
18 on whether we think this is likely to be
19 something we're going to require of the MGM
20 and Wynn people. And speaking for myself on
21 the basis of the data that has been presented
22 here and in the context of the fundamental
23 objective of the responsible gaming strategy
24 of promoting informed player choice, I, at

1 least, am very strong in an, albeit
2 tentative, opinion that the MGM and Wynn
3 people should anticipate that we are going to
4 be requiring something similar to Play My Way
5 for at least the slots part of the operation
6 of those casinos.

7 COMMISSIONER CAMERON: It's hard for
8 me to go there without data. I really do
9 look forward to the evaluation information
10 six months from now because I just -- I don't
11 know. I'm not convinced that the good
12 doctor -- I'm not following his evidential
13 viewpoint there because I guess we just don't
14 have those numbers. And I guess I don't want
15 to undercut the work of the evaluation team
16 by signalling, you know, any direction we may
17 be going in before they complete their work.
18 I'm a little concerned about that as well.

19 And I think it would be interesting,
20 we say they may need direction. It doesn't
21 sound like we know if they need direction
22 within the next six months. So if, in fact,
23 we knew they didn't and maybe you have that
24 information.

1 MR. GLENNON: I'd like to speak to
2 that. So the software development life
3 cycle, in order to develop a module of Play
4 My Way that will work with the central
5 management system selected by both Wynn and
6 MGM, which is the Advantage System --

7 CHAIRMAN CROSBY: Which is IGT?

8 MR. GLENNON: Which is IGT. That's
9 going to have to be developed almost from
10 scratch. Now, we've done a lot of work, but
11 that life cycle is going to take, you know,
12 12 months or more at least. That's what we
13 found in the other instance. And I think in
14 this case, we would like to have it part of
15 the gaming floor when we test and turn the
16 floor out as opposed to putting it in after
17 the floor is live. And that was the
18 situation we got into with our central
19 management system, and also with Play My Way,
20 we were putting this piece of software on
21 while the gaming floor was operating. I
22 think the desire here would be to develop the
23 software to make sure it integrates well with
24 the house systems, the Advantage System of

1 IGT, and make sure it's clean, it's not
2 disruptive to the operation of the floor.
3 And with the timing and the opening of the
4 properties, I think this development effort
5 is going to have to at least start in terms
6 of concept and taking what we did with Play
7 My Way in the March time frame. I think if
8 we wait until you make a final decision on
9 this, we are not going to have the time to
10 get it done or the vendor is not going to
11 have the time to get it done in time to have
12 integrated with the floor for the opening of
13 2018.

14 CHAIRMAN CROSBY: So I think we're
15 walking a fine line here. And we knew this
16 was coming because we knew ideally we'd have
17 two years before we had to make a decision,
18 two years of data. We knew we weren't going
19 to be able to do that. So I'm totally
20 sympathetic to your point. And I know CHA
21 feels very strongly about this. Our
22 evaluator wants to make sure that nobody has
23 their finger on the scale here and that this
24 is an objective analysis, and we completely

1 agree with that. On the other hand, we have
2 to give our licensees some advice on what to
3 do and maybe even to begin the development in
4 order to hold open the option that we can do
5 it. And I guess we're sort of saying we at
6 least feel good enough about that that we do
7 want to keep the door open. Maybe we
8 wouldn't go -- as a Commission, we might not
9 go as far as Commissioner Macdonald just went
10 in his view of it.

11 But in any event, I think we
12 sympathize. Everybody understands the issue.
13 We are utterly and totally committed to an
14 objective rigorous evaluation which we will
15 take on its merits when it's ready. And if
16 it turns out that the data suggests, you know
17 what, this costs a lot of money and it makes
18 you feel good, but it doesn't really have any
19 impact on anybody, we might very well decide
20 to not do it.

21 Having said that, at this stage of
22 the game, we do not want to lose the option
23 of doing it in the most efficient possible
24 way. So that's, I think, where we're coming

1 down, and I think from here John and Joe and
2 Mark or Teresa and whoever should coordinate
3 with the licensees pretty closely and see
4 where in the development cycle they need
5 intervention by us, and then we will
6 intervene with whatever data we have at
7 whatever point they need it. That's probably
8 worth putting on a timeline to make sure
9 we're really clear.

10 There's a lot of other issues here,
11 too, as Mark and I have discussed. Who's
12 going to be responsible for developing this.
13 Last time we were responsible basically with
14 Bally, who was the doing the CMS for
15 Plainridge. And we branded it. We made the
16 decisions. We always let PPC veto and agree
17 if -- we didn't do anything that PPC didn't
18 want, but we were really in charge of
19 designing this program, branding it, and so
20 forth. Are we going to do that this time the
21 same way, or are we going to say to them, to
22 the licensees, we want you to do a play
23 management system and here are the parameters
24 and do whatever you want. I don't know. We

1 haven't decided that yet.

2 So there's a fair number of things,
3 Madame Project Manager, that we need to have
4 on a perk chart, I think, to make sure we can
5 make all the decisions we need to make, we
6 and the licensees can make all of the
7 decisions we need to make in a timely
8 fashion.

9 COMMISSIONER STEBBINS: You know,
10 Mark, during your presentation with
11 Commissioner Macdonald and I, you've raised a
12 question or hope or interest of yours, and if
13 we perceive this some type of Play My Way
14 technology at MGM or Wynn, kind of raising
15 the level and awareness of the promotion of
16 GameSense or Play My Way as part of the
17 promotion, part of the advertising all driven
18 to remind people that this is entertainment.
19 We all understand. Even our licensees have
20 strategies and policies with respect to
21 encouraging responsible gaming. We already
22 know GameSense is going to be on the floor,
23 you know, but I'd be interested in hearing at
24 some point from our licensees as to how

1 they're thinking about adopting -- short of
2 us requiring it, what of their own plans,
3 having seen this rollout, albeit at a smaller
4 facility, what's the feedback they want to
5 give us as to the implementation. This
6 should be more of a partnership. This isn't
7 the tobacco companies and the surgeon
8 general. To the point of maybe they want to
9 brand something of their own.

10 So, you know, I think at some point
11 it would be helpful to have a conversation
12 with our licensees to see what direction
13 they're taking on this because it may not be
14 our heavy hand. It may be something which is
15 more partnership, and maybe their direction
16 is based off of some of these earlier
17 results. But I think having a conversation
18 with them in the not too distant future, even
19 at one of our meetings.

20 COMMISSIONER MACDONALD: What about
21 to that point specifically inviting MGM and
22 Wynn to make a submission to us within a
23 period of time, within at least say four
24 weeks. And set up agenda item for some time

1 in the latter part of February in which we
2 would have a further discussion on these
3 issues. So we would have their informed
4 perspective and maybe we might even have some
5 more data. Who knows.

6 CHAIRMAN CROSBY: I think it would
7 be a good idea to figure out a time to get
8 the two licensees to come in and tell us what
9 we're thinking at this point. Maybe PPC,
10 too, if there hasn't been -- If you guys have
11 information to tell us that we may not yet
12 have, but certainly our licensees as to kind
13 of where their heads are at as well as, Mark,
14 there's a pretty well figured out timeline
15 and if by mid, late February -- let's call it
16 late because I won't be here mid -- we take a
17 little round at this having gotten both a
18 timeline and feedback from the licensees. I
19 think that's a good idea.

20 COMMISSIONER CAMERON: I'd also like
21 to say that I do agree. Even though I'm a
22 little hesitant here, I do agree that the
23 numbers are substantially higher than what
24 I've heard. I attended an international

1 gaming conference where a couple of different
2 programs were discussed, and frankly, our
3 numbers are higher, and I think our
4 organization and our evaluation appear to be
5 more thorough.

6 So I do want to commend the team for
7 that. I know how much work has gone into
8 this, so I do look forward to that
9 evaluation. But so far, those numbers are
10 substantially higher than anything I've
11 heard.

12 CHAIRMAN CROSBY: By far, yeah.

13 COMMISSIONER ZUNIGA: I did want to
14 mention, I have the same viewpoint as
15 Commissioner Macdonald on the notion of
16 presumption. It's not final. We're waiting
17 for the evaluation. Data is very important.
18 I'm not saying -- But for planning purposes,
19 and I'm in agreement with everything being
20 said here, and because the technology is
21 different from PPC, they're using IGT as the
22 casino management system. John, you
23 mentioned Advantage is their brand. And
24 because of the long-lead item, this is

1 mission critical, you know, their casino
2 management system, whatever solution is out
3 there or a configuration needs to be done, I
4 think it's only prudent, even if they have a
5 divided Commission here, that they plan for
6 the real possibility that this will be
7 required or agreed to in partnership.

8 Because something tells me if they don't,
9 because we're equivocal on this at this
10 point, the cost could even be greater to try
11 to retroactive retrofit after the fact, you
12 know, after the gaming floor is open, et
13 cetera, et cetera, to say now we're going to
14 ask or require that you do this.

15 I think the data that we have,
16 again, data is very good, and what we're
17 seeing. And I remind us even though it's
18 only alluded to here, the data that we have
19 not seen is also very compelling. We have
20 not seen the complaints by patrons. We have
21 not seen PPC saying this thing is
22 unmanageable. I'm sure there's been some
23 issues, if you will, in terms of testing and
24 deploying, but those have been addressed

1 rather quickly, I might say.

2 So I think data that we're not
3 observing is as important to consider. The
4 principle that we are operating on, which is
5 the responsible gaming framework, even if the
6 cost benefit, if we ever get to a cost
7 benefit calculation that may say, well, once
8 you factor everything in, the cost of
9 implementation is X and the cost and the
10 benefit is Y and it's hard to compare because
11 whatever the reason, I think it goes right on
12 under our -- the principles of informed
13 decision making. It's voluntary. It's for
14 whoever wants to use it, and if some people
15 derive a benefit from it, I think it's good
16 data.

17 By the way, also mentioned here was
18 something that I've observed. I know this is
19 anecdotal. Our GameSense advisors have
20 observed. The fact that we have two programs
21 that seem to work really well together is
22 something really important here in my
23 opinion. The GameSense advisors have been
24 anecdotally the ones that walk through

1 patrons designing the process. The ones that
2 hear the real feedback, you know, the
3 firsthand feedback on, oh, this is rather
4 straightforward and I can sign up every time,
5 sure. At any time, I can drop off at any
6 other time. Same thing.

7 So the fact that we have these two
8 programs working together, I would argue, is
9 really valuable or may even have an
10 additional value.

11 So I think we're in the same -- we
12 end up in the same way. Let's get the
13 parties together. Get us feedback on the
14 details on the technology and such, but for
15 planning purposes, if I was doing some risk
16 assessment of my own operations and I was the
17 licensee, I would be saying we should
18 presuppose that this could be a requirement
19 and start planning for it.

20 COMMISSIONER MACDONALD: You know,
21 on that point; namely, the GameSense point
22 and the relationship of Play My Way to
23 GameSense, that a significant data point that
24 Mark and Teresa shared with us is that -- and

1 this is real data, is that their work, there
2 was a follow-up to at least a significant
3 cross section of the people who interacted
4 with the GameSense information center at
5 Plainridge and maybe with everybody, but
6 based on asking the question did your visit
7 to the GameSense information center enhance
8 your visit to Plainridge Park Casino, and
9 basically 78 percent of the people who were
10 asked that question responded affirmatively.
11 And I think that that's significant because
12 it's my understanding, and I'm still the new
13 guy on the block here, you know, at the
14 Commission is that early in time there was
15 concern expressed by the operator community
16 that if the GameSense initiative and
17 responsible gaming initiative was pursued too
18 aggressively that it would turn off the
19 prospective potential customer base of the
20 casinos. And at least, you know, at this
21 stage that it appears that at least as how
22 the GameSense information center has been
23 implemented that it's actually been
24 described, you know, as a positive

1 enhancement to the casino entertainment
2 experience.

3 CHAIRMAN CROSBY: We'll get more
4 feedback on that through the --

5 COMMISSIONER ZUNIGA: Evaluation.

6 CHAIRMAN CROSBY: -- evaluation. We
7 hear your suggestion. I don't think there's
8 a need for a vote here or anything. We're
9 basically with you, I think, varying degrees
10 of intensity and detail. And the suggestion
11 is that within a month and a half to two
12 months that we get probably here in public a
13 presentation to us from the operators about
14 where they are on this just on their own kind
15 of and that you all work together, John, to
16 have an important part of this to sort of
17 work out a schedule on who needs to know what
18 and when in order to make these decisions
19 properly and that we'll take a look at all
20 that come the end of February. Okay?

21 MR. VANDER LINDEN: Okay.

22 CHAIRMAN CROSBY: Anything else that
23 you need, Mark, on this?

24 MR. VANDER LINDEN: You know, I've

1 been thinking about Commissioner Cameron's
2 comment, and I do want to close on a point
3 and clarify that I really do believe in the
4 evaluation as a central component in the
5 Commission's decision on how to ultimately
6 proceed in this. I feel like planning, from
7 my experience in launching Play My Way at
8 Plainridge Park Casino, the opportunity to do
9 the type of planning that we can do right now
10 makes a lot of sense and could make -- if we
11 do decide to implement, make that process
12 much, much smoother, but ultimately, the
13 evaluation should be a central component in
14 our decision, your decision.

15 COMMISSIONER CAMERON: It's just my
16 experience that so many programs are
17 implemented without a robust evaluation or
18 one that's taken seriously. So I look
19 forward to that, but I do agree with you that
20 the initial numbers are substantially higher
21 than in other rollouts. I think that part of
22 it has been tremendous. And I know all the
23 challenges. I don't want to throw the wet
24 blanket. I do look forward to June or July

1 when we actually have those numbers.

2 MR. VANDER LINDEN: Thank you.

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER MACDONALD: I do have a
5 point of clarification. Mark and Teresa's
6 memo was concluded by recommending the
7 Commission create draft regulations. And I
8 see Todd here, and I'd ask whether there was
9 some earlier regulations. I think there was
10 a draft, right, Mark, at some point in time?

11 MR. GLENNON: We actually do have a
12 pretty good start on a set of draft
13 regulations.

14 MR. VANDER LINDEN: When it was
15 first contemplated, we went ahead and drafted
16 them as if we were going to promulgate them
17 and backed down from that saying we would be
18 better off given what we know about play
19 management tools to try to do this on a test
20 basis rather than promulgate them through
21 regulations, but do it on a test through
22 partnership with our licensees, which I think
23 was ultimately --

24 COMMISSIONER MACDONALD: So should

1 we put that on hold, further work on the
2 regulations on hold subject to further
3 information?

4 MR. BEDROSIAN: I would suggest we
5 continue to work on the regulations in the
6 same spirit that the Chairman talked about,
7 that let's be ahead of the curve. And if we
8 decide not to act on them, we decide not to
9 act on them, but we'd have them in pocket.

10 COMMISSIONER STEBBINS: Have them
11 on a parallel.

12 MR. BEDROSIAN: Right.

13 CHAIRMAN CROSBY: Okay. Anything
14 else on that item? Thank you.

15 COMMISSIONER STEBBINS: Thank you.

16 COMMISSIONER MACDONALD: Thank you.

17 COMMISSIONER CAMERON: Thank you.

18 Good work.

19 CHAIRMAN CROSBY: Yeah. I think the
20 last item is commissioner updates, right.
21 Anything of note besides New Year's Eve
22 parties and Christmas, holiday season, what
23 have you?

24 COMMISSIONER STEBBINS: I have one

1 quick note. We continue to meet with senior
2 local staff from the governor skills'
3 cabinet. We met yesterday and MGM came and
4 did a quick presentation as to share with us
5 what their experience was in National
6 Harbors, some of the results they saw, some
7 of the lessons learned. So we're hoping
8 that, you know, MGM will be a regular part of
9 those meetings as we move ahead now knowing
10 that they're less than two years from
11 opening, and there's some timeline for hires
12 coming in '17 and looking ahead to '18.

13 CHAIRMAN CROSBY: Did we report on
14 the meeting that we had with the
15 representatives from the Senate on your
16 economic development ideas?

17 COMMISSIONER STEBBINS: We didn't.

18 CHAIRMAN CROSBY: You might want to
19 mention that and that we're seeing the House,
20 too.

21 COMMISSIONER STEBBINS: Yes. We've
22 talked about a process and whether it be well
23 received if this Commission laid out some
24 suggestions for how the gaming economic

1 development fund could expend moneys to, I
2 guess, reinvestigation in the economic
3 strategy that the Senate and the House and
4 the governor gave us at the time of the
5 passing of the statute. We met with Senator
6 Rosenberg and Senator Spilka, chairman of the
7 senate ways and means committee. Both kind
8 of gave us their blessing. Encouraged us,
9 obviously, to engage their colleagues, engage
10 certain committee chairs, and expressed their
11 interest in seeing something by potentially
12 third quarter of this year because money will
13 start flowing in by the time the next budget,
14 the budget cycle after that begins. So it
15 was a good meeting.

16 CHAIRMAN CROSBY: Yes. And we're
17 meeting with the house on the same issue,
18 which is basically Commissioner Stebbins'
19 notion that the legislature gave us this
20 direction to try to use casinos as an
21 economic development tool, not just jobs and
22 revenue, but broad based economic
23 development. And we've learned a lot about
24 how that might be done, and maybe we can get

1 some suggestions on how that could be carried
2 forward with the money in the economic
3 development fund.

4 COMMISSIONER ZUNIGA: Who are the
5 trustees of that fund? Does anybody
6 remember?

7 COMMISSIONER STEBBINS: It's subject
8 to appropriation.

9 COMMISSIONER ZUNIGA: Oh. Okay. So
10 legislature.

11 COMMISSIONER STEBBINS: It
12 encourages specific uses, workforce
13 development, summer jobs, regional economic
14 development initiatives, but it's all subject
15 to appropriation.

16 COMMISSIONER ZUNIGA: So you're
17 talking to the right people.

18 CHAIRMAN CROSBY: Okay. Anybody
19 else? All right. Motion to adjourn?

20 COMMISSIONER ZUNIGA: So moved.

21 CHAIRMAN CROSBY: All in favor?

22 COMMISSIONER MACDONALD: Second.

23 CHAIRMAN CROSBY: Aye.

24 COMMISSIONER CAMERON: Aye.

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COMMISSIONER MACDONALD: Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER MACDONALD: Second and
an aye.

CHAIRMAN CROSBY: Second and an aye.
We are adjourned. Thank you all very much.

(Whereupon the hearing was adjourned at
12:42 p.m.)

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C E R T I F I C A T E

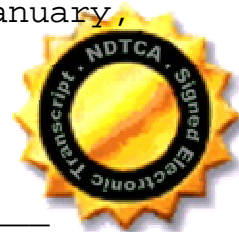
I, Amie D. Rumbo, an Shorthand Court Reporter,
do hereby certify that the foregoing is a true and
accurate transcript from the record of the
proceedings.

I, Amie D. Rumbo, further certify I neither am
counsel for, related to, nor employed by any of
the parties to the action in which this hearing
was taken and further that I am not financially
nor otherwise interested in the outcome of this
action.

Proceedings recorded by verbatim Stenographic
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WITNESS MY HAND this 10th day of January,
2017.

Amie D. Rumbo



Amie D. Rumbo, Notary Public

My Commission expires: 10/23/2020