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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** January 6, 2023, 10:00 a.m.  
**Place:** Massachusetts Gaming Commission  
VIA CONFERENCE CALL NUMBER: 1-646-741-5292  
PARTICIPANT CODE: 111 1431 1966

The Commission conducted this public meeting remotely utilizing collaboration technology. Use of this technology was intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public.

### **Commissioners Present:**

Chair Cathy Judd-Stein  
Commissioner Eileen O'Brien  
Commissioner Bradford Hill  
Commissioner Nakisha Skinner  
Commissioner Jordan Maynard

#### 1. [Call to Order](#) (00:00)

Chair Judd-Stein called to order the 419<sup>th</sup> Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

#### 2. [Opening Remarks](#) (02:46)

Chair Judd-Stein stated that Massachusetts offered an exciting new opportunity for regulated sports wagering. She stated that licensees would be held to the highest standards of compliance and that compliance would be on a continuing basis.

Chair Judd-Stein noted that the Commission would review all applications for untethered category three sports wagering licenses, and that there would be a selective evaluation pursuant to 205 CMR 218.06(6)(a) on January 18, 2023 and January 19, 2023. She described the evaluation process the Commission would undergo for each applicant. She noted that while the

Commission may award up to seven licenses, the Commission need not award a license to each of the six applicants.

### 3. [Legal Framework relative to the award of an untethered Category 3 operator license](#) (14:43)

General Counsel Todd Grossman explained that G.L. c. 23N authorized the Commission to award no more than seven category three sports wagering licenses which were not connected to a category one or category two operator. He explained that category three sports wagering licenses authorized the licensee to operate a mobile sports wagering platform. He noted that the Commission may require an applicant to provide supplemental information.

General Counsel Grossman stated that all deliberations on the applications would occur in public. He noted that G.L. c. 23N, § 6(i) allowed the Commission to enter executive session to discuss trade secrets and competitively-sensitive information submitted as part of the application. He explained that the Commission's findings must be supported by substantial evidence. He stated that the factors the Commission was reviewing during the application process could be found in 205 CMR 218.06(5). He noted that category three untethered applications would also be compared as they relate to other applications in accordance with 205 CMR 218.06(6)(a).

General Counsel Grossman explained that the category three untethered applicants had not undergone a thorough probity investigation and were not eligible for durable suitability at this time. He stated that the applicants could be granted preliminary suitability while the suitability investigation is ongoing.

General Counsel Grossman stated that the Commission could impose conditions on the sports wagering license in accordance with 205 CMR 220. He stated that once granted a license, the licensee must receive an operations certificate pursuant to 205 CMR 251 before conducting operations.

### 4. [Evaluation Process](#) (54:15)

#### a. [Presentation of application and demonstration of technology and user experience by each applicant for a Category 3 untethered sports wagering operator license in accordance with 205 CMR 218.06\(3\)](#) (55:08)

Adi Dhandhanian, COO from Bally's Interactive LLC ("Bally's"), explained that Bally's was a publicly traded company with twenty years of experience. He stated that Bally's had more than 10,000 employees, 17 casinos, and online sports wagering in 19 jurisdictions. He stated that Bally's had 500,000 monthly retail customers and 750,000 monthly online customers. He explained that Bally's had partnerships with several sports teams and an exclusive marketing relationship with the Sinclair Broadcast Group.

Mr. Dhandhanian stated that 50% of the Bally's employee base identified as minorities and that Bally's was investing in elevating employee diversity numbers. He stated that the Bally's platform delivered a customer-first service experience.

Bally's Chief Technology Officer Donald Beatson provided an overview of Bally's Excite player account management system. Bally's Senior Vice President of Sports Technology Ravi Haldahali provided an overview of the Bally's Evolve sports wagering platform.

Bally's Senior Vice President of Data Mark Borg stated that he was responsible for the group data strategy which assisted with interoperability between divisions. He stated that the data assists with automated regulatory reporting, internal analytics, marketing capabilities, and predictive recommendations. Commissioner Hill asked if customer service was available with live persons on a 24/7 basis. Mr. Dhandhanian explained that live chat and a phone number were available at all hours.

Bally's Head of Regulatory Product Jonathan Liska presented an overview of the Know Your Customer ("KYC") process for the Bally's platform. Commissioner O'Brien asked why a customer might have more than one account. Mr. Liska explained that it was possible for customers to forget they have an account or create a new account to claim a registration promotion. Chair Judd-Stein asked if other jurisdictions limited players to one account. Mr. Liska replied that some jurisdictions had account limits. Mr. Liska provided a product demonstration of their KYC process and responsible gaming tools.

Commissioner O'Brien noted that the platform asked about the customer's gender and asked if completing that question was mandatory. Mr. Liska stated that the question was for market research purposes, and that the question was being removed.

Chair Judd-Stein asked if Bally's would notify a customer when their cool-off period was ending. Mr. Liska stated that Bally's does not contact customers during their cool-off period as part of its responsible gaming policies. Chair Judd-Stein asked if screentime could be limited. Mr. Liska explained that Bally's offers session limits.

Bally's Product Owner Martin Popov provided a demonstration of signing into an existing account. Bally's Director of Product Ownership Chris Benstead provided a product demonstration of sports offerings. Commissioner Hill asked how Bally's addresses a change in lines when putting together a parlay bet. Mr. Benstead stated that any change of lines is highlighted to the customer, and that the customer could reject the new odds, accept all changes, or accept the better odds.

b. [Presentations and Analysis Relevant to review and evaluation of Application for each Category 3 untethered sports wagering operator license:](#) (1:59:08)

i. [Technical Components](#) (1:59:19)

Joe Bunevith, Vice President of Government and Regulatory Affairs from Gaming Laboratories International (“GLI”), provided an overview of the certification process and end verification for mobile applications and other digital platforms once they are approved by the Commission. He stated that GLI would verify whether the platform meets all requirements specific to Massachusetts during the verification process.

ii. [Report on suitability of the Applicant](#) (2:04:45)

Senior Enforcement Counsel Kathleen Kramer discussed the IEB’s report on the preliminary suitability of Bally’s. She noted that the Licensing Division identified four entity qualifiers and six individual qualifiers. She stated that nothing significant was outstanding from the application.

Chair Judd-Stein inquired regarding two matters from Indiana and Arizona. Bally’s Director of Licensing Rob Smith stated that Arizona had only provided the exclusion list to the physical property, and that there was a delay in the exclusion list being transmitted to the Bally’s online platform. He stated that manual procedures were implemented as a remediation effort.

Chair Judd-Stein asked about what occurred in Indiana. Mr. Smith stated that their partner, the Sinclair Broadcast Group, had put out an advertisement before Bally’s was authorized to go live. He stated that Bally’s had another meeting with the Indiana regulators on January 20, 2023.

iii. [Financial and Economic Impact Analysis](#) (2:15:32)

Theresa Merlino, Finance Consultant from RSM US LLP (“RSM”), presented on the financial projection estimates provided by Bally’s, including anticipated market size in Massachusetts, year-over-year growth trends, market share data from other jurisdictions, hold percentage over time, and liquidity of the applicant. She stated that the information provided by Bally’s included competitively-sensitive data that would be better addressed in an executive session.

Commissioner O’Brien asked if the lack of information regarding projected handle was typical. Ms. Merlino stated that it was the information that was least provided by the applicant pool. She stated that handle could be projected based upon their projected market share, projected gross gaming revenue, and projected hold percentage. Mr. Dhandhanian stated that the projected handle would be provided to the Commission.

Commissioner O’Brien noted that the ramp-up period affected revenue and asked why it was not included in the estimates. Ms. Merlino stated that the applicant did not believe Massachusetts would have sports wagering launched before March Madness.

c. [Review and evaluation of each Application for a Category 3 untethered sports wagering operator license as submitted by Bally’s Interactive, LLC in accordance with](#)

[205 CMR 218.00 including, but not limited to consideration of the following criteria:](#)  
(2:35:38)

i. [Experience and Expertise related to Sports Wagering \(205 CMR 218.06\(5\)\(a\)\)](#)  
(3:15:13)

Commissioner Hill asked for exotic parlays and if-bets to be explained. Mr. Dhandhanian stated that Bally's would have a team member join the call to explain those types of bets. Commissioner O'Brien asked if time limits on the platform were available for sports wagering. Mr. Dhandhanian stated that they were available through the player account management system.

Chair Judd-Stein asked how data being used for deposit recommendations would work with responsible gaming practices. Mr. Dhandhanian stated that deposit recommendations were predominantly used to ease the experience for customers to personalize the platform.

Bally's Senior Vice President of Risk and Trading Jay Rood explained the intricacies of if-bets and exotic parlays. He stated that these types of bets were more player-friendly.

Chair Judd-Stein expressed concern about the intensity and frequency of marketing. She asked how Bally's intended to address marketing-related concerns. Mr. Borg stated that machine learning models would use responsible gaming predictions to help identify problem gambling behavior. He stated that this information would also be applied to marketing.

Chair Judd-Stein asked what real-time marketing would look like. Mr. Borg stated that the player's activity would be analyzed and that rewards could be adjusted accordingly. He stated that events would be sent via multi-channel communication, including push notifications and email. Mr. Dhandhanian stated that data was analyzed and that the campaign management tools were configured by the marketing team.

The Commission reached consensus that Bally's had met the Commission's expectations with regard to Section B of the application.

ii. [Economic impact and other benefits to the Commonwealth if applicant is awarded a license \(205 CMR 218.06\(5\)\(b\)\)](#) (3:53:44)

Commissioner O'Brien expressed concern that recruitment on college campuses would lead to recruitment of employees under the age of 21. Mr. Dhandhanian stated that Bally's had a policy that required all interns to be of legal age to sports wager in their respective state.

Commissioner Skinner inquired about employment opportunities in Massachusetts. Mr. Dhandhanian stated that while Bally's didn't have offices in Massachusetts, there were opportunities in Rhode Island and recruitment at Massachusetts universities. Commissioner

Skinner requested that supplemental information regarding employment opportunities in the Commonwealth be provided.

Commissioner Hill requested additional details regarding community engagement. Mr. Dhandhanian stated that Bally's had a foundation that assisted local communities in providing benefits to local businesses, the food bank, toy drives, breast cancer awareness events, and the pride march. Chair Judd-Stein stated that the Commission expected online sports wagering operators to be involved in community engagement.

Commissioner Hill asked if Bally's had an in-house program for increasing diversity in management. Mr. Dhandhanian stated that Bally's was updating its HR system to track development and representation throughout the organization. Commissioner Maynard inquired about their commitment to mitigate harm to the Massachusetts Lottery. Mr. Dhandhanian stated that Bally's would work with the Massachusetts Treasurer regarding the lottery.

The Commission reached consensus that Bally's had met the Commission's expectations with regard to Section C of the application.

iii. [Applicant's willingness to foster racial, ethnic, and gender diversity, equity, and inclusion \(205 CMR 218.06\(5\)\(d\)\)](#) (4:09:40)

Commissioner Skinner requested that Bally's provide supplemental information further breaking down the categories of diversity in their employment diversity data. She requested that Bally's provide goals relative to employee diversity and supplier diversity spending. She requested that Bally's provide supplemental information regarding women and diverse employees in management roles. Mr. Dhandhanian stated that Bally's would supplement this information.

The Commission reached consensus that Bally's had met the Commission's expectations with regard to Section D of the application, provided that Bally's provides a supplemental response outlining the information requested by Commissioner Skinner.

iv. [Proposed measures related to responsible gaming \(205 CMR 218.06\(5\)\(c\)\)](#) (4:15:51)

Commissioner O'Brien expressed concern about the planned advertising on public transit as underage individuals utilize public transit. Mr. Dhandhanian stated that it was part of its branding strategy, but that advertising would not be placed on public transit if the Commission does not allow it. He stated that advertising on public transit was similar to advertising on billboards. Commissioner O'Brien noted that billboards could be timed to not show advertisements during certain times.

Commissioner O'Brien inquired about the incentives that would be offered to customers who visited the Rhode Island property. Mr. Dhandhanian noted that Bally's maintained a list of

Massachusetts residents who visited the Rhode Island property and had the ability to engage with those individuals.

Chair Judd-Stein noted that Bally's had a billboard in Massachusetts advertising its Rhode Island property. She noted that the billboards did not have responsible gaming language included. She asked that Bally's commit to putting responsible gaming language on all of its billboards in Massachusetts, even if the advertisement was for a property outside of Massachusetts. Mr. Dhandhanian agreed to put responsible gaming language on future billboards.

Chair Judd-Stein asked how Bally's intended to repatriate funds going to the Rhode Island property. Mr. Dhandhanian stated that Bally's had marketing solutions to get customers to engage with both physical properties and online products.

The Commission reached consensus that Bally's had met the Commission's expectations with regard to Section E of the application.

v. [Technology that the applicant intends to use \(205 CMR 218.06\(5\)\(e\)\)](#) (4:29:11)

Mr. Dhandhanian noted that Bally's would have all required responsible gaming features operational before its launch in Massachusetts.

The Commission reached consensus that Bally's had met the Commission's expectations with regard to Section F of the application.

vi. [Suitability of the applicant and its qualifiers \(205 CMR 218.06\(5\)\(f\)\)](#) (4:34:48)

Chair Judd-Stein noted that RSM's presentation regarding financial projections for Bally's was to be discussed in executive session and asked if the other Commissioners had any other additional questions.

Commissioner O'Brien noted that the financial information was provided by the parent company of Bally's and not the applicant. Mr. Dhandhanian stated that the financial information was reported at the parent company level because the parent company owns Bally's Interactive. Commissioner O'Brien noted that the parent company had the capacity to support operations but could terminate support if it chose to. She asked what assurances could be provided in connection with the Massachusetts applicant. Mr. Dhandhanian stated that Bally's Interactive was committed to this business in Massachusetts, and that he could elaborate in executive session if required.

The Commission reached consensus that Bally's had met the Commission's expectations with regard to Section G of the application provided that RSM present on its finances in executive session.



d. [Executive Sessions](#) (4:40:41)

General Counsel Grossman stated that RSM's financial information regarding market share percentage, estimated revenue, and estimated hold percentage met the executive session requirement set forth in G.L. c. 23N, § 6(i).

Chair Judd-Stein stated that the Commission anticipated that it may meet in executive session in conjunction with its review of the Bally's Interactive, LLC application in accordance with G.L. c. 30A, § 21(a)(7) and G.L. c. 23N, § 6(i) to consider information submitted by the applicant in the course of its application for an operator license that is a trade secret, competitively-sensitive, or proprietary and which if disclosed publicly would place the applicant at a competitive disadvantage.

Commissioner O'Brien moved that the Commission enter executive session for the reasons stated by the Chair and General Counsel Grossman. Commissioner Maynard seconded the motion.

*Roll call vote:*

*Commissioner O'Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed unanimously, 5-0.*

Chair Judd-Stein noted that the public session of the meeting would reconvene after the executive session.

*Transcriber's Note: The Commission entered executive session and returned to the public meeting at [5:16:47](#).*

Chair Judd-Stein stated that the Commission had two topics to update the public on. Mr. Dhandhanian explained that Bally's had provided anticipated hold percentage and handle percentage data in its application. He noted that this information was not included in the materials sent to RSM.

Ms. Merlino stated that based upon RSM's review, a 7% hold percentage was consistent with the industry and market. She noted that during RSM's presentation, a slide contained information from a third-party report which contained a typographical error. She noted that the slide in question was included to give an overall view of the broader sports wagering marketplace in the United States and was not related to the applicant's finances.

The Commission thanked the representatives from Bally's for their time.



5. [Other Business](#) (5:21:23)

Commissioner Maynard noted that he filed a notice of intent to attend a retirement gathering for Former Governor Charles Baker which was being hosted at Encore Boston Harbor. He explained that there was no cost to attend this event, and that he would follow all applicable laws and regulations. He stated that he had consulted General Counsel Grossman in deciding whether to attend.

Hearing no other business, Chair Judd-Stein requested a motion to adjourn.

Commissioner Hill moved to adjourn. The motion was seconded by Commissioner O'Brien.

*Roll call vote:*

*Commissioner O'Brien: Aye.*

*Commissioner Hill: Aye.*

*Commissioner Skinner: Aye.*

*Commissioner Maynard: Aye.*

*Chair Judd-Stein: Aye.*

*The motion passed unanimously, 5-0.*

**List of Documents and Other Items Used**

1. [Notice of Meeting and Agenda dated January 3, 2023](#)