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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** June 12, 2023, 10:00 a.m.

**Place:** Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292

PARTICIPANT CODE: 111 844 6273

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 458<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.

Chair Judd-Stein provided an opening statement emphasizing that Commission licensees were held to the highest standards of compliance. She stated that it was the Commission's principal responsibility to ensure public confidence in the integrity of the gaming industry in Massachusetts

### 2. [Legal Framework relative to the award of a sports wagering license](#) (02:57)

General Counsel Todd Grossman explained that G.L. c. 23N and 205 CMR only allowed for a temporary license prior to a full suitability decision being made. Chair Judd-Stein stated that, with the exception of the suitability portion, the Commission would review the application submitted by Massasoit Greyhound Association d/b/a Raynham Park ("Raynham") at this

meeting. She stated that the Commission's review would include financial suitability, but the Commission would reconvene on a future date to review the overall suitability of the applicant.

General Counsel Grossman explained that licensees that provide greyhound simulcasting could receive a category two sports wagering license under G.L. c. 23N, § 6(b)(2). He stated that a category two sports wagering license allows in-person sports wagering and mobile sports wagering through an individually branded mobile platform. He noted that a category two sports wagering licensee must have a capital investment of not less than \$7.5 million after three years of being awarded the sports wagering license. He noted that the entity operating the mobile platform must obtain a category three sports wagering license.

General Counsel Grossman noted that the Commission could enter executive session in accordance with G.L. c. 23N, § 6(i). He stated that any findings by the Commission required substantial evidence. He explained that the factors for the Commission to evaluate were outlined in 205 CMR 218.06(5). He explained that the Commission could impose conditions on the license granted under 205 CMR 220. He noted that the suitability determination would not be made at this meeting. He highlighted that if the applicant was awarded a license, it would need to get a sports wagering operations certificate before operating.

3. [Presentation of Application for Category 2 sports wagering operator license submitted by Massasoit Greyhound Association \(d/b/a Raynham Park\) in accordance with 205 CMR 218.06\(3\) \(25:40\)](#)

Outside Counsel to Raynham, Jed Nosal, introduced Raynham's CEO and President George Carney, Raynham's VP of Operations Robert Brooks, Raynham's VP of Operations Sue Rodericks, Raynham's CFO Joe Capucci, Raynham's Chief Compliance Officer Kevin Regan, Raynham's Chief of Surveillance Mike Machano, Raynham's Chief of Security Davide Warnell, Caesars' President Eric Hession, Caesars' Regulatory and Compliance SVP Jeff Hendricks, Caesars' Chief Operating Officer Ken Fuchs, Caesar's Chief Retail Sportsbook Operator Dave Grolman, Caesars' SVP of Corporate Social Responsibility Heather Rapp, Caesars' Chief Development Officer Dan Shapiro, and Caesars' Vice President of Product Compliance Floyd Barroga.

Mr. Nosal presented Raynham's history in Massachusetts as a simulcast facility and former greyhound racetrack. He presented details regarding Raynham's operating lease agreement with Caesars. He noted that Raynham would remain responsible for sportsbook operations under the lease agreement.

Mr. Brooks provided an overview of the new sports wagering facilities being built which would include sixteen betting windows, thirty self-serve kiosks, two dining areas, three VIP rooms, two bars, and areas for GameSense and Commission employees. He presented the construction schedule which anticipated a September opening. He stated that there was a temporary sports wagering facility with fifty new employees.

Mr. Hession explained that Caesars operated 190 sportsbooks across 25 jurisdictions. He stated that Caesars employed more than 1,800 employees in its sports wagering and online gaming division. He noted that Caesars owned and operated the vast majority of its sports wagering technology.

Mr. Barroga presented on Caesars' Liberty platform which is used for retail sports wagering. He stated that the platform launched in 2019 and was offered in twenty-two jurisdictions. Mr. Fuchs stated that there was a team dedicated to updating the platform with weekly releases. He stated that there were 170 employees in the trading organization and that customer support was available via call, text, and email.

Mr. Grolman stated that Caesars' rewards helped to track players, and that Caesars had assigned a manager for the Raynham location. Mr. Hession explained that Caesars had more than 65 million rewards members.

Mr. Nosal stated that the redevelopment of the site created an economic impact surrounding construction. He stated that Raynham was prepared to double its existing workforce with 130 new individuals. He stated that there were opportunities for cross-promoting simulcasting and that Raynham would continue its robust partnership with the Massachusetts Lottery.

Ms. Rodericks stated that Raynham was committed to responsible gaming. She stated that a responsible gaming plan had been drafted, and that Raynham had implemented a responsible gaming committee. She stated that Raynham had partnered with GameSense and would continue to consult the Massachusetts Council on Gaming and Health.

Mr. Hendricks stated that Caesars maintains an industry leading responsible gaming program with responsible gaming settings and features in its platform. He stated that there were annual responsible gaming trainings for Caesars' team members. He stated that Caesars had implemented a feature that would exclude self-excluded individuals from all Caesars products.

Ms. Rodericks stated that Raynham's employees were 43% women and 6% minority. She stated that Raynham anticipated doubling its staff. She stated that Raynham had engaged a consultant to develop new employee handbooks, create DEI training, and build a strategy to further increase the diversity within Raynham's staff and vendor spending.

Ms. Rapp stated that Caesars had a code of commitment that aligned with its DEI goals. She stated that by 2025, Caesars expected women to hold 50% of its leadership roles and POC to hold 50% of its leadership roles.

Mr. Nosal presented on Raynham's history of compliance. He noted that Raynham had implemented a Compliance Committee and an Independent Audit Committee.

4. [Presentations and Analysis relevant to review and evaluation of Application for Category 2 sports wagering operator license:](#) (1:54:15)

a. [Technical Components](#) (1:54:15)

Gaming Laboratories International's ("GLI") Senior Gaming Technical Advisor Mark Robertson stated that once licensed, Raynham would submit its codebase to GLI. He stated that after a technical documentation review, critical compliance files would be identified and documented. He stated that the lab would run a supervised compilation of source code for those files. He stated that the files would then be submitted for testing in a locked-down environment. He stated that certifications could be made after GLI tested for Massachusetts specific requirements.

b. [Preliminary Financial Suitability of the Applicant](#) (2:01:35)

Director of the Investigations and Enforcement Bureau Loretta Lillios noted that overall suitability was not being reviewed at this meeting. She stated that RSM US LLP ("RSM") had conducted the preliminary financial suitability review. She stated that an executive session may be warranted for portions of RSM's presentation

c. [Financial and Economic Impact Analysis](#) (2:03:16)

RSM's Financial Consulting Director Connor Loughlin explained that RSM had reviewed an overview of the retail sports wagering market in Massachusetts, the applicant's liquidity position and construction plans, the projected gross gaming revenue, the projected market share, and the projected hold percentage submitted by the applicant.

Mr. Loughlin explained that Massachusetts applicants projected a gross gaming revenue range of \$25 million to \$30 million. He stated that hold percentages across all states were between 5 and 14%, and that Massachusetts would likely fall between 8 and 9%. He noted that the applicant's financial projections were proprietary and competitively sensitive and would be better discussed in executive session. General Counsel Grossman stated that this topic was appropriate for executive session in accordance with G.L. c. 23N, § 6(i).

5. [Executive Session](#) (2:16:04)

Chair Judd-Stein stated that the Commission anticipated that it may meet in executive session in conjunction with its review of the 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 go into executive session on the matter and for the reasons just stated by the chair. Commissioner Hill 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.*

*Transcriber's Note: The Commission entered executive session and reconvened the public meeting session at [5:44:14](#).*

6. [Review and evaluation of Application for Category 2 sports wagering operator license submitted by MGA in accordance with 205 CMR 218.00 including, but not limited to consideration of the following criteria:](#) (5:45:34)

a. [Experience and Expertise related to Sports Wagering \(205 CMR 218.06\(5\) \(a\)\)](#) (5:45:34)

Commissioner O'Brien asked what the highest level Caesars employee would be at the Raynham site. Mr. Grolman stated that Caesars would have a sportsbook manager, assistant managers, and team leads at Raynham's facility. Commissioner O'Brien asked if there would be any issues that would require input from Caesars employees in other states. Mr. Grolman stated that there would be some oversight from the trading room in Nevada, but that the Massachusetts employee would be authorized to resolve issues.

Chair Judd-Stein sought clarification regarding controls for compliance with Massachusetts approved wagers. Mr. Fuchs stated that there was technology to ensure compliance and independent trading monitors as part of the compliance team.

Chair Judd-Stein noted that the application was submitted in January of 2023, and that regulations had since been put in place disallowing the term "free bets". Mr. Nosal stated that the language would be updated to be compliant. Mr. Hession noted that Caesars no longer used the term "free bets" in any materials.

Chair Judd-Stein noted that the application referenced kiosks in "other approved areas" and asked for clarification. Mr. Nosal explained that the language anticipated the use of kiosks in the temporary sports wagering space. Mr. Nosal noted that all customers had to be twenty-one years of age or older to enter this facility.

Commissioner Skinner noted that she did not see a response for section B3 and B4 of the application. Chair Judd-Stein stated that those questions were answered in the totality of the application. Mr. Nosal stated that Raynham could supplement that portion of the application.

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

b. [Economic impact and other benefits to the Commonwealth if applicant is awarded a license \(205 CMR 218.06\(5\)\(b\)\)](#) (6:08:01)

Commissioner O'Brien asked what jobs were intended as "other retail related services". Mr. Nosal stated that it would be extensions of the food and beverage services, additional lottery services, and separate staff hired by Caesars. Commissioner O'Brien asked if the positions listed at \$8 an hour were tipped services. Ms. Rodericks stated that was correct.

Commissioner Skinner noted that the list of new positions provided by Raynham only had 119 new employees, and asked why there was a discrepancy with the 130 positions referenced by the applicant. Mr. Nosal stated that there would be 130 new positions, and that Raynham would update the list and provide it to the Commission.

Commissioner O'Brien asked for additional details regarding the workforce development plans. Mr. Nosal stated that Raynham had engaged consultants to develop plans for hiring. He stated that Raynham was investing in increasing diversity and hired experts to help develop those plans. Commissioner Skinner requested additional details regarding the hiring of the HR consultant. Mr. Nosal stated that Raynham had engaged with consultants and would file the workforce development plan with the Commission once it was completed.

Commissioner O'Brien asked if Raynham had considered recapturing revenue going across state lines. Mr. Shapiro stated that Raynham was focusing its marketing in Massachusetts using Caesars' customer rewards database and traditional advertising. Mr. Brooks stated that Raynham had a steady simulcast customer-base without advertising, and that advertising was focused on drawing in a younger demographic.

Chair Judd-Stein asked how cross-marketing of the sportsbook and horseracing would occur. Mr. Shapiro explained that kiosks would allow patrons to toggle between simulcasting and sports wagering. He stated that big event days for horseracing created the opportunity for cross-promotion.

7. [Other Business](#) (6:34:38)

Chair Judd-Stein noted that the Commission would coordinate with Raynham to schedule a date to reconvene the discussion of Raynham's application. She noted that the Commission was pausing this meeting, not adjourning, and that the Commission would reconvene on the topic at a future date.

**List of Documents and Other Items Used**

1. [Notice of Meeting and Agenda dated June 8, 2023](#)