

# Catania

## Gaming Consultants



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### *Kahnawake Gaming Commission Joins with Antigua to Form Inter-Jurisdictional Alliance*

The Kahnawake Gaming Commission (KGC) and the Financial Services Regulatory Commission (FSRC) for Antigua and Barbuda announced an agreement that establishes and expands

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upon the relationship between the two gaming commissions. The KGC has been licensing and regulating online gaming since July, 1999, as the gaming arm of the Mohawk Territory of Kahnawake, a sovereign jurisdiction just outside of Montreal, Canada. Established in 2002, FSRC licenses, regulates and supervises a range of financial services within Antigua and Barbuda, including online gaming and wagering.

The new agreement replaces a Memorandum of Understanding (MOU) dating back to 2005, which involved information sharing among the jurisdictions with regard to respective licensees.

The updated MOU signed in mid-June 2010, will allow a licensed operator of either jurisdiction to apply to the other jurisdiction for an "Inter-Jurisdictional Authorization." The new category of license allows companies to host operations from either jurisdiction, with their gaming activities being regulated by the agency that issues its primary license.

Murray Marshall, general counsel for the Kahnawake Gaming Commission, told the Montreal Gazette that "Gambling regulators do have inter-jurisdictional information-sharing agreements, but this first of its kind agreement provides for an unprecedented degree of flexibility for licensing and hosting needs."

It should be noted that the Inter-Jurisdictional license does not give those licensed in

Kahnawake the ability to bypass the U.K. white list requirement without first obtaining a full interactive gaming license in Antigua.

The effective date of the MOU is September 2010.

A copy of the signed 2010 MOU can be viewed at either [www.gamingcommission.ca](http://www.gamingcommission.ca) or [www.antiguagaming.gov.ag](http://www.antiguagaming.gov.ag).

## ***Moody's Upgrades U.S. Gaming Industry; BP Oil Spill to Impact Louisiana & Mississippi Casinos***

Moody's Investors Service recently upgraded its rating of the U.S. gaming industry to "stable." In Moody's Industry Sector Outlook for the U.S. Gaming Industry, it's revised rating of the industry to "stable" from its previous view of "negative."

Moody's Senior Vice President Keith Foley as published in the Las Vegas Review Journal said gaming revenues have leveled off somewhat in the past few months, and the gaming industry may have hit a bottom.

"Although monthly gaming revenue by jurisdiction varies considerably, overall, U.S. gaming revenue was flat year over year in March and April 2010, and it appears the trend will hold for May," Foley said. "While not a stellar performance, it's a marked improvement over the consistent, and often substantial, declines of 2008 and 2009. It also has favorable implications for gaming company operating profits, a majority of which comes directly from slot machine and table game revenue."

He said the rating service wanted to get ahead of the curve in its assessment of the industry. He further indicated that it would take a marked and prolonged change before he would even consider changing the outlook to "positive."

But not all areas of gaming are viewed as healthy, particularly as Louisiana and Mississippi begin to be impacted by the gulf's oil spill, with tourism being negatively impacted by the prospect of the oil reaching area beaches.

"It's pretty clear that the region is going to face some challenges," Foley said.

It has been suggested that the casino markets in New Orleans and along the Mississippi Gulf Coast would be most affected by the oil spill because of their location on the gulf coast.

## ***Trump CEO Mark Juliano to Lead Casino Association of NJ***

Longtime casino industry veteran Mark Juliano was recently named as the new president of the Casino Association of New Jersey (CANJ), the trade group that advocates for issues important

to casino operators in Atlantic City. The group serves as the collective voice for the NJ casino industry.

Juliano, 55, is the current chief executive officer of Trump Entertainment Resorts Inc., a position he has held since 2007. Juliano is responsible for the management of three Atlantic City properties: Trump Taj Mahal, Trump Plaza and Trump Marina. His new responsibilities as president of CANJ are in addition to his continuing role as CEO.

Juliano will replace the immediate past president of CANJ, Joseph A. Corbo Jr., who has served as head of CANJ since 2006. Juliano's term is for an initial two-year period.

"We still have the biggest overhang out there, which is the economy," Juliano said in an interview with the Philadelphia Inquirer. "We're seeing pockets of [business] bounce back. But we really haven't seen a steady momentum being built yet."

The NJ casino industry has been feeling the impact of gaming proliferation in neighboring states, including NY and PA. According to Juliano, the CANJ will continue to play a key role on gaming proposals before NJ lawmakers, including authorization for smaller boutique casino hotels and the possibility of VLTs at NJ racetracks.

Juliano released the following statement upon the news of his role to head the CANJ: "The past several years have presented a period of challenge for our industry as a result of regional competition and the national economy," Juliano said, "and we believe that we have now entered into a period of great opportunity to change the fortunes and the image of the city and bolster our relationships with all legitimate stakeholders for the good of the entire state."

Trump Entertainment recently emerged from bankruptcy and avoided a hostile takeover effort led by Tropicana owner, billionaire Carl Icahn. A group of corporate bondholders backed by Donald Trump won control of three Atlantic City casinos of Trump Entertainment Resorts Inc., after a federal bankruptcy judge ruled in favor of their plan over a competing plan by Tropicana owner Carl Icahn.

Gary Ehrlich, VP of Catania Gaming, testified in the bankruptcy case as an expert witness on New Jersey casino law.

Prior to being tapped as CEO of Trump Entertainment Resorts in 2007, Juliano served as president of Caesars Palace in Las Vegas, and was president and chief operating officer of Caesars Atlantic City in the mid-1990s.

### ***Sheldon Adelson Gambles on Singapore Casino***

Sheldon Adelson, who has won and lost billions on gaming investments throughout the world, spoke with confidence recently about his latest investment in a Singapore casino, Marina Bay Sands. The project is the biggest single investment on a hotel and casino by Adelson's

Las Vegas Sands Corporation.

Adelson told The Australian that: “This surpasses anything I’ve done. It’s the best by the width of an ocean.”

The Marina Bay Sands, which officially opened in late-June, includes Sky Park, which is situated on top of three 55-story hotel towers. The Marina Bay Sands has 2600 rooms, a 600-table casino with 1500 slot machines, two theatres, 300 boutiques, a museum, an art gallery and a convention center that would allow for up to 45,000 attendees.

The Sky Park is the most spectacular section of the project, lying across the top of three towers, resembling the top deck of an ocean liner and contains gardens, pools and restaurants.

Singapore officials had to change a 40-plus year ban on gambling in order for Adelson to open the Marina Bay Sands casino. In an attempt to turn Singapore into an Asian playground for rich tourists, Singapore issued two gaming licenses, one license went to Malaysia-based Genting Bht for the Resorts World at Sentosa, which opened in February, and the other to Adelson’s Las Vegas Sands Corporation for the Marina Bay Sands development.

Singapore’s tourism promotion agency estimated that each resort is expected to contribute a value add of S\$2.7 billion to Singapore’s gross domestic product (GDP) in 2015, roughly between 0.5 and 1 percent of GDP.

### ***Poll Finds Majority of Jerseyans Favor Slot Expansion***

A new poll conducted by shows that a majority of New Jersey residents support expanding slot machines to the Meadowlands and other existing racetracks.

The poll, released in mid-June, indicates that Jerseyans favor the proposal by 52% to 37%. A majority of both Democrats and Independents favor the proposal, while Republicans are split on the issue 46% to 46%.

Geographically, those residing in North Jersey tend to favor the proposal in higher numbers than South Jersey residents, who may be more concerned with what the proposal could mean for Atlantic City.

“In part, this is a regional issue,” said Donald Hoover, a professor and former casino executive. “People in the northern part of the state are being enticed to cross state borders to places that are more readily accessible than Atlantic City. People in the south are concerned with the viability of Atlantic City.”

Overall, 50% of New Jerseyans think slots would “provide tax revenues, create new jobs and preserve open space,” while 33% think slots would expand gambling too much, thereby hurting business in Atlantic City.

Responses also indicated a difference based on age, with the 18 to 44 set favoring expansion by a 2-to-1 margin. Those 45-64 favor it as well by 51% to 37%, but those of retirement age – 65 years and older – oppose the idea by 49% to 38%. Younger residents, 18-44, also support the expansion of full casino gambling, including table games, to the Meadowlands, while residents 45+ support such a move in much smaller numbers.

"This comes as no surprise, and is consistent with what we have seen in past surveys," Hoover said. "People have been naturally apprehensive about the large scale of casinos and the development they imply."

Indeed there was broad opposition, 70%, to expanding casinos generally to other areas of New Jersey, but residents were largely in favor of allowing sports betting at racetracks in addition to Atlantic City.

### ***After 32 Years, Recognition—and Casinos—for Shinnecock Tribe***

After a 32-year battle, the Shinnecock Indians were finally granted federal recognition from the Bureau of Indian Affairs on June 15, 2010. The tribe, located on an 800-acre reservation in Southampton, New York, will now be able to begin serious negotiations over building a casino in the region.

With federal recognition, the tribe can build a Class II casino on its land, including video slot machines, but no table games. The reservation is a less-than-ideal spot for a casino, however, being both hard to get to and environmentally delicate.

Instead, the tribe would like to build a more lucrative Class III casino, which could include table games, somewhere else. The plan would require a deal with the State of New York, which the Tribe may secure given Governor Paterson's vocal support for their recognition. In addition, partnering with the state would bring New York additional revenues, an appealing prospect given Albany's grim current climate.

Where the Tribe may meet resistance is on the federal level, since an off-reservation casinos would require additional federal legislation and represent a "hot-button issue." If the Tribe pursues this plan, there is likely to be well-financed opposition to a full-blown casino in a market already saturated with gambling options. New Yorkers comprise a sizeable chunk of visitors to both Connecticut and Atlantic City casinos, and adding more in-state options is likely to hurt both locations.

As an alternative to federal legislation, some Tribes have put off-reservation land in a trust, but a recent a court decision has limited that option to Tribes with more longstanding recognition.

"They're going to need legislation," Bennett Liebman, executive director of the government law center at Albany Law School and a former member of the state's racing and wagering board, told *The New York Times*. "This is a long, hard process. They have significant leverage in dealing with the state; they don't have leverage in dealing with the federal government."

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