



**WASHINGTON STATE  
GAMBLING COMMISSION PUBLIC  
MEETING - July 2018**

The Hotel Murano  
1320 Broadway  
Tacoma, WA 98402



STATE OF WASHINGTON  
**GAMBLING COMMISSION**

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

**Hotel Murano**  
**1320 Broadway Plaza, Tacoma, WA 98402**  
**July 12, 2018**

**\*\*REVISED AGENDA\*\***

*Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair.*

<b>10:00 AM</b>	<b>Executive Session - Closed to the Public</b> Discuss Pending Investigations, Tribal Negotiations, and Litigation <b>The public meeting will reconvene at approximately 12:00 pm</b>
<b>PUBLIC MEETING</b>	
<b>ADMINISTRATIVE PROCEDURE ACT PROCEEDINGS</b>	
<b>12:05 PM</b>	<b>Call to Order</b> <b>Welcome and Introductions</b> <span style="float: right;"><i>Bud Sizemore, Chair</i></span> <ul style="list-style-type: none"> <li>• <i>Moment of Silence</i></li> </ul> <b>Consent Agenda</b> <span style="float: right;"><b>(Action)</b></span> <ul style="list-style-type: none"> <li>• June 7, 2018 Commission Meeting</li> <li>• New Licenses and Class III Employees</li> </ul> <b>Class III Employees/Snoqualmie &amp; Cowlitz Tribes</b> <span style="float: right;"><b>(Action)</b></span>  <b>Director's Written Report</b>
<b>Tab 1</b>	
<b>Tab 2</b>	<b>Petition for Review of Summary Suspension Initial Order</b> <span style="float: right;"><b>(Action)</b></span> <ul style="list-style-type: none"> <li>• Gregory Paul Means, CR 2017-01110</li> </ul> <span style="float: right;"><i>Greg Rosen, Assistant Attorney General</i> <i>Bryan Hershman, Attorney for Petitioner</i></span>
<b>Tab 3</b>	<b>Defaults</b> <span style="float: right;"><i>Haylee Mills, Staff Attorney</i></span> <ul style="list-style-type: none"> <li>• Jordan S. Hjorth, CR 2018-00405, Class III Employee Certification Revocation <span style="float: right;"><b>(Action)</b></span></li> <li>• Loren G. Maxey, CR 2018-00263, Public Card Room Employee Revocation <span style="float: right;"><b>(Action)</b></span></li> </ul>
<b>Tab 9</b>	<b>Petition for Declaratory Order – Big Fish Casino</b> <span style="float: right;"><b>(Action)</b></span> <span style="float: right;"><i>Brian Considine, Legal and Legislative Manager</i> <i>Beth Brinkmann, Council for Petitioner</i></span>
<b>PUBLIC MEETING</b>	
<b>Tab 4</b>	<b>Cowlitz Indian Tribe Phase II</b> <span style="float: right;"><b>(Action)</b></span> <span style="float: right;"><i>Keith Kam, Special Agent Supervisor</i></span>
<b>Tab 5</b>	<b>FY 2019 Budget Revisions</b> <span style="float: right;"><b>(Action)</b></span> <span style="float: right;"><i>Cam Dightman, Budget Specialist</i></span>
<b>Tab 6</b>	<b>Electronic Gaming Lab Presentation</b> <span style="float: right;"><i>Melissa Valencia, Electronic Gaming Lab Administrator</i></span>
<b>Tab 7</b>	<b>Tribal Compact Contribution Presentation</b> <span style="float: right;"><i>Dan Wegenast, Special Agent Supervisor</i> <i>Kelly Main, Special Agent Supervisor</i></span>
<b>Tab 8</b>	<b>Legislative Update/ Agency Request Legislation</b> <span style="float: right;"><i>Brian Considine, Legal and Legislative Manager</i></span>
	<b>Other Business/General Discussion/Public Comments</b>
<b>4:00</b>	<b>Meeting Adjourn</b>

*Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-3637. Questions or comments pertaining to rule changes should be directed to the Rules Coordinator (360) 486-3447.*



STATE OF WASHINGTON  
GAMBLING COMMISSION

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

**June Gambling Commission Meeting Minutes**

The Great Wolf Lodge  
20500 Old Highway 99, SW  
Grand Mound, WA

**Public Meeting  
June 7, 2018**

**Commissioners Present:**

Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Chris Stearns  
Ed Troyer  
Alicia Levy

**Ex Officio Members Present:**

Senator Steve Conway

**Staff Present:**

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; Brian Considine, Legal and Legislative Manager; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant and Sharon James, Assistant Attorney General.

**Executive Session Call to Order**

**Chair Bud Sizemore** called the June Gambling Commission Meeting to order at 11:35 a.m. and immediately went into Executive Session to discuss Tribal Negotiations, Pending Investigations and Litigation. Executive Session ended at 1:20 p.m.

**Public Session Call to Order**

**Chair Bud Sizemore** called the Gambling Commission meeting to order at 1:40 p.m. after Executive Session and a short break. Chair Sizemore welcomed everyone to the Great Wolf Lodge and thanked the individuals that attended the tribal consultation meeting that was held before Executive Session. He introduced the Commissioners and staff that were present.

**Chair Sizemore** asked for a moment of silence to recognize law enforcement officers across the country that were lost in the line of duty since we last met.

There were 35 people in attendance.

**Tab 1**

***Consent Agenda:***

***Commissioner Patterson moved to approve the consent agenda as presented by staff.***

***Commissioner Stearns seconded the Motion.***

***The Motion passed. 5:0***

***Commissioner Patterson moved to approve the Snoqualmie Tribe and Cowlitz Tribe of Indians Class III Gaming Employees Certifications as presented.***

*Commissioner Troyer seconded the Motion.  
The Motion passed. 4:0  
Commissioner Stearns abstained.*

### **Election of Officers**

**Chair Sizemore** asked for nominations for Chair of the Gambling Commission. One nomination was made.

*Commissioner Troyer moved to nominate Bud Sizemore as Chair of the Gambling Commission for the term beginning immediately after the June 7, 2018 meeting for a term through May 2019.*

*Commissioner Patterson seconded the motion.  
The motion passed.5:0*

**Chair Sizemore** asked for nominations for Vice Chair. One nomination was made.

*Chair Sizemore moved to nominate Commissioner Patterson as Vice Chair of the Gambling Commission for the term beginning immediately after the June 7, 2018 meeting for a term through May 2019.*

*Commissioner Troyer seconded the motion.  
The motion passed. 5:0*

### **Director's Report**

**Director Trujillo** provided a written report that was sent out to the Commissioners ahead of time. Chair Sizemore asked the Commissioners if they had any follow up questions for the Director. They did not.

### **Commissioner Stearns Presentation**

**Commissioner Stearns** presented a PowerPoint presentation on three conference he attended in the last several weeks. Those conference were the National Indian Gaming Association (NIGA), Focus on the Future, and GiGse 2018 convention and Tradeshow.

Commissioner Stearns attended the NIGA Convention and Tradeshow April 18-20, 2018 in Las Vegas, NV. NIGA is one of the largest conventions and tradeshow in the nation. NIGA is a non-profit organization of 184 Indian Nations representing organizations, tribes and business engaged in the tribal gaming industry. He then attended the "Focus on the Future" Conference May 1-3, 2018 in Vancouver, WA. The Focus on the Future conference is the largest and oldest conference on problem gambling awareness in the Pacific Northwest. This conference was coordinated by the Evergreen Council on Problem Gambling. Commissioner Patterson also attended the Focus on the Future conference. **Commissioner Patterson** mentioned that this conference was a great opportunity for everyone to learn and network on the topic of problem gaming, and also share the successes and challenges around problem gambling. **Commissioner Stearns** said that the 32<sup>nd</sup> National Conference on Problem Gambling will be held in Cleveland Ohio on July 20-2, 2018. The Four Directions Conference that is hosted by Evergreen Council on Problem Gambling will be held October 1- 4, 2018 at the Little Creek Casino. In late May

Commissioner Stearns traveled to Florida May 29-June 1, 2018 to attend the Global iGaming Summit and Expo (GiGse). He attended a Sports Betting – State Legislator Panel as well as a Sports Betting Operators & US Markets Panel.

### **Petition for Review of Summary Suspension Initial Order**

**Chair Sizemore** introduced Greg Rosen, Senior Council for the Washington State Attorney General's office. **AAG Rosen** is representing the Gambling Commission staff in the case involving Gregory P. Means of Federal Way, license number 68-07011 and case number CR2017-01110. Gregory P. Means has requested a continuance. Commissioner Troyer is familiar with the attorney involved in the case before the Commission and recused himself from the deliberations. AAG Rosen is offering a technical objection to the continuance because counsel indicated, essentially implied, he didn't get sufficient notice. AAG Rosen explained in detail the lengths taken by Ms. Haylee Mills, Staff Attorney for the Gambling Commission, to contact the petitioner appropriate to the WAC. The attorney for Gregory P. Means, Mr. Hershman indicated by the motion that he didn't receive Ms. Mills' email on May 31st. **Commissioner Patterson** asked if the Gambling Commission could verify whether or not the email was received or was just overlooked somehow. **AAG Rosen** explained that the Commission would have to take his word for it. He also explained that Mr. Hershman filed the petition on May 30th, relevant to the WAC provision, WAC 230-17-175, that the petition would have to be heard at the next regularly scheduled Commission meeting June 7, 2018. Staff does not object to the motion for any other reason that the Commission finds, other than the contention that Mr. Hershman did not receive notice until June 5th.

With no further questions for AAG Rosen the four Commissioners deliberated in a separate room. The Commissioners reconvened after 10 minutes. **Chair Sizemore** asked for motion.

*Commissioner Levy moved to grant the continuance, based on the lack of availability of the counsel and reschedule the summary suspension hearing to the July 12<sup>th</sup> Commission Meeting.*

*Commissioner Stearns seconded the motion.*

*The motion passed. 4:0*

*Commissioner Troyer abstained.*

### **Tab 3**

#### **Defaults**

**Staff Attorney, Haylee Mills** presented the default materials.

1) **Giovanni Gonzalez, 2017-01457, Class III Employee Certification Revocation.**  
**Chair Sizemore** asked if Mr. Giovanni Gonzalez was in the audience. He was not.

*Commissioner Levy moved to revoke the Class III Certification for Giovanni Gonzalez.*  
*Commissioner Patterson seconded the Motion.*  
*The Motion passed. 5:0*

2) **Juan A. Vazquez Gonzalez, CR2017-01685, Class III Employee Certification Revocation.**

**Chair Sizemore** asked if Mr. Juan A. Vazquez Gonzalez was in the audience. He was not.

*Commissioner Levy moved to revoke the Class III Certification for Juan A. Vazquez Gonzalez. Commissioner Stearns seconded the Motion.*

*The Motion passed. 5:0*

**3) Wayne B. Miller, CR2018-0046, Public Card Room Employee License Revocation.**

**Chair Sizemore** asked if Mr. Wayne B. Miller was in the audience. He was not.

*Commissioner Stearns moved to revoke the Public Card Room License for Wayne B. Miller. Commissioner Levy seconded the Motion.*

*The Motion passed. 5:0*

**Tab 4**

**Legislative/Sports Betting Update**

**Legal and Legislative Manager Brian Considine** presented the materials for this tab. Mr. Considine reported on the 2019 agency request legislation and gave a quick update on the Big Fish-Churchill Downs 9<sup>th</sup> Circuit Court of Appeals case. Churchill Downs Inc. was sued in Washington State Federal District Court and prevailed. The plaintiffs appealed the decision to the Ninth Circuit. This was a plaintiff's lawsuit alleging various different civil liability theories, but essentially asked the Federal District Court, and then Ninth Circuit that Big Fish's online casino, sometimes termed as a social casino or free play casino, was actually gambling. The Ninth Circuit ruled a few weeks ago with a decision that said, "Yes, it is gambling." Mr.

Considine explained to Commissioners how the process works.

Churchill Downs has indicated that it will vigorously defend itself, even though it no longer owns Big Fish Casino. Mr. Considine believes Churchill Down sold Big Fish over the last two years. But because of this ruling, there have been at least five additional lawsuits that have been filed, in either Seattle Federal District Court or Tacoma Federal District Court, with the same theory against additional online operators. Game Show Network, is the most recent, Huge Games, and DoubleDown Interactive, which is owned by IGT and is one of our licensees.

The U.S. Supreme Court issued a 6-3 decision in *Murphy v. NCAA*, on May 14, 2018. The Supreme Court found that the Professional and Amateur Sports Protection Act (PASPA) is unconstitutional because it violates the 10th Amendment. The 10th Amendment provides that, if the Constitution does not either give a power to the federal government or take that power away from the states, that power is reserved for the states or the people themselves. The Supreme Court has long interpreted this provision to bar the federal government from "commandeering" the states to enforce federal laws or policies. Consequently, the Supreme Court ruled that PASPA's prohibition on states' legalization of sports betting violates the anti-commandeering doctrine and PASPA is void. Congress can regulate sports gambling directly, and can pass a federal law prohibiting or regulating sports betting. However, it cannot direct states to enforce the Federal Government's decisions. This decision allows each state to regulate sports betting on its own. Currently, sports boards in RCW 9.46.0335, is the only sports betting authorized in the Gambling Act. Washington state constitution, Article 2, Section 24, requires that any new forms of sports gambling pass by a 60 percent vote of the Legislature or 60 percent vote of the people if submitted by referendum or initiative.

Deputy Director Amy Hunter, Agent in Charge Jennifer LaMont, Public Information Officer Heather Songer, and Mr. Considine attended sports betting seminars at the UNLV's International

Center for Gaming Regulation in March and April in anticipation of this decision. Mr. Considine also confirmed that staff at the Gambling Commission is preparing materials for the Legislature to assist them in their analysis in the many policy issues that will be considered as they determine how to proceed on sports betting legislation.

Congress could intervene and act on sports betting. It is highly unlikely Congress would prohibit sports betting in the U.S.

Professional sports leagues (NBA, NFL, NHL, MLB and the NCAA) anticipated this result and are promoting a federal framework that provides a uniform approach to sports gambling in states that choose to permit it. However, they were also actively lobbying state legislatures for certain league-friendly policies before PASPA was ruled unconstitutional.

**Commissioner Stearns** asked a clarifying questions regarding scalability. He also mentioned that the Supreme Court did not strike down the Wire Act, and explained that it's still illegal to send information across state lines. He also mentioned that if companies such as William Hill or Paddy Power, want to operate in Pennsylvania, New Jersey, Delaware, Rhode Island, they have to have a separate operation in every single state that they're in. They can't just have one national hub. **Commissioner Patterson** asked for an online tutorial that she could watch before the July Commission meeting to help her get the basics down on sports betting.

Mr. Considine will provide that to her.

**Commissioner Stearns** asked about the study for problem gambling and the resources for the study, but not a prevalence study. **Mr. Considine** explained that the problem gambling study will be an interagency agreement with University of Washington and the Washington State University. **Commissioner Stearns** said that in his opinion he thinks it would be better to ask for a prevalence study in 2019 rather than 2020. **Mr. Considine** said that he would be happy to push that forward if that was agency request legislation for 2019.

Commissioners discussed possible topics for agency request legislation. The six topics identified for agency request legislation are:

- Problem Gambling Self-exclusion Program (Comm. Stearns and Patterson);
- Problem Gambling Task Force (Staff suggestion based on input from Comm. Stearns and Patterson);
- Problem Gambling Prevalence Study (Comm. Stearns);
- Skins/Loot Boxes (Comm. Stearns);
- Involuntary Exclusion from Gambling Establishments for People who Commit Certain Crimes or Acts (staff request); and
- General Fund appropriation for Gambling Commission's criminal enforcement activities (Comm. Sizemore).

**Commissioner Stearns** said perhaps the Washington State Lottery could fund the prevalence study.

#### **Other Business/General Discussion/Public Comment**

**Commissioner Troyer** commended the Gambling Commission staff and agents on the rooster fighting bust that was in the news recently. Agents seized over 300 roosters that had been given drugs and had weapons on their feet in a big fighting operation. Agents also seized \$35,000, and booked some people in jail.

**Chair Sizemore** reminded the audience that the next Commission Meeting will be held at the Hotel Murano in Tacoma.

**Public Comment**

There was no public comment.

The Commission meeting adjourned at 3:30 pm.





## HOUSE-BANKED PUBLIC CARD ROOM REPORT

Current House- Banked Locations Operating				47		
Licensee	City	Commission Approval Date	License Expiration Date	Tables	Org #	License #
ACES CASINO ENTERTAINMENT	SPOKANE	Mar 13, 2014	Dec 31, 2018	7	00-23112	67-00325
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2018	15	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2018	15	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2018	10	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Aug 13, 2009	Mar 31, 2019	9	00-21882	67-00285
CASINO CARIBBEAN	YAKIMA	Mar 14, 2002	Dec 31, 2018	15	00-17603	67-00093
CASINO CARIBBEAN	KIRKLAND	Nov 15, 2005	Sep 30, 2018	15	00-20427	67-00238
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2018	15	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Apr 9, 2015	Dec 31, 2018	11	00-23386	67-00328
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2018	15	00-22132	67-00303
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2019	13	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2019	15	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2019	15	00-21847	67-00281
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2019	15	00-23814	67-00335
FORTUNE CASINO	TUKWILA	Oct 8, 2015	Jun 30, 2018	12	00-23465	67-00329
FREDDIE'S CLUB	RENTON	Jan 8, 2015	Sep 30, 2018	15	00-23339	67-00327
GOLDIE'S SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2018	15	00-17610	67-00016
GREAT AMERICAN CASINO/DES MOINES	DES MOINES	Jul 13, 2017	Mar 31, 2019	15	00-23795	67-00334
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2018	15	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2018	15	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2018	15	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2018	15	00-17579	67-00091

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**Current House- Banked Locations Operating**

**47**

Licensee	City	Commission Approval Date	License Expiration Date	Tables	Org #	License #
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2018	15	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2018	12	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2018	8	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2018	15	00-11339	67-00055
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2018	12	00-21305	67-00267
LUCKY 21 CASINO	WOODLAND	Oct 8, 2013	Jun 30, 2018	15	00-22918	67-00322
MACAU CASINO	LAKEWOOD	Jul 12, 2007	Mar 31, 2019	15	00-20428	67-00239
MACAU CASINO	TUKWILA	Jan 12, 2012	Sep 30, 2018	15	00-22573	67-00319
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2018	7	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2018	15	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2018	12	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2019	5	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2018	15	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2019	15	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2018	12	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2018	15	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2018	15	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2018	15	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2018	13	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2018	9	00-16759	67-00038
THE GETAWAY CASINO	WALLA WALLA	Mar 11, 2016	Jun 30, 2018	8	00-23485	67-00332
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2018	15	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2018	7	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2018	15	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2019	6	00-18777	67-00209

Licensed, But Not Operating						1
Licensee	City	Commission Approval Date	License Expiration Date	Tables	Org #	License #
UBET CASINO	LONGVIEW	Oct 8, 1998	Jun 30, 2018	11	00-17449	67-00039

Applications Pending						1
Licensee	City	Commission Approval Date	License Expiration Date	Tables	Org #	License #
REGINA'S ON THE WATER	LONGVIEW			11	00-23997	67-00337



COMMISSION APPROVAL LIST  
(New Licenses & Class III Gaming Employees)  
July 2018

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 16.

ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****RAFFLE**

CHAMBER OF COMMERCE/MAGNOLIA 00-06254 02-01425	A	3213 W WHEELER ST STE 518 SEATTLE WA 98199
FULL LIFE CARE 00-24158 02-20866	B	9616 NE 121ST LN KIRKLAND WA 98034
HOPELINK 00-22665 02-09168	B	10675 WILLOWS RD STE 275 REDMOND WA 98073
HOSPITALITY MINISTRIES 00-24201 02-20897	B	2021 VALLEY VIEW BLVD EAST WENATCHEE WA 98802
JUBILEE REACH 00-23544 02-09606	D	14200 SE 13TH PL BELLEVUE WA 98007
KINGSTON NORTH KITSAP ROTARY FNDN 00-24091 02-20901	B	11853 GLAVIN LN NE KINGSTON WA 98346
KIWANIS CLUB/KENNEWICK 00-14357 02-08172	B	421 E COLUMBIA DR KENNEWICK WA 99336
ROD'S HOUSE 00-24220 02-20908	D	610 S 31ST AVE YAKIMA WA 98902
SOZO SPORTS OF CENTRAL WA 00-24153 02-20862	B	2200 S 36TH AVE YAKIMA WA 98903
VASHON-MAURY ISLAND HERITAGE ASSOCIATION 00-24206 02-20902	C	9850 SW 148TH ST VASHON WA 98070

**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

CLIFF'S TAVERN 00-24143 05-21539	A	8614 NE ST JOHNS RD VANCOUVER WA 98665
MIKES BAR & GRILL 00-24085 05-21525	E	21 S DISHMAN RD SPOKANE VALLEY WA 99206
TANGLEWOOD GRILL 00-24192 05-21546	E	3222 56TH ST NW GIG HARBOR WA 98335

ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER**

VGT

20-00258

20-00258

F

308 MALLORY STATION RD

FRANKLIN TN 37067

**COMMERCIAL AMUSEMENT GAMES OPERATOR**

BOWLERO LYNNWOOD

00-24171

53-21522

C

1222 164TH ST SW

LYNNWOOD WA 98087

CINEMA 99 STADIUM 11

00-24183

53-21524

A

9010 NE HWY 99

VANCOUVER WA 98665

PERSON'S NAME

EMPLOYER'S NAME

LICENSE ISSUE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****DISTRIBUTOR REPRESENTATIVE**

BUANTEO, FERNANDO  
22-01261

AMERICAN GAMING & ELECTRONICS  
HAMONTON NJ 08037

MONGEAU, MATTHEW J  
22-01260

AMERICAN GAMING & ELECTRONICS  
HAMONTON NJ 08037

**MANUFACTURER REPRESENTATIVE**

CHAMBERS, WILLIAM G III  
23-02717

AGS LLC  
LAS VEGAS NV 89118

CHANG, CRYSTAL S  
23-02710

IGT  
LAS VEGAS NV 89113

CLARY, NICHOLAS J  
23-02716

AGS LLC  
LAS VEGAS NV 89118

GRANADOS, KEVIN J  
23-02715

TCS JOHN HUXLEY AMERICA INC  
LAS VEGAS NV 89120

HERNANDEZ, EDGARDO  
23-02707

BALLY TECHNOLOGIES  
LAS VEGAS NV 89119

KEITHLEY, CHRISTOPHER N  
23-02720

ARIES TECHNOLOGY LLC  
GROVE OK 74344-6251

LUCCI, SHAWN A  
23-02718

AGS LLC  
LAS VEGAS NV 89118

MATTHEWS, MARK D  
23-00297

BALLY TECHNOLOGIES  
LAS VEGAS NV 89119

OLDHAM, DAVID A  
23-02714

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89119

PEREZ, SERGIO E  
23-02711

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89119

RICHARDSON, HAROLD G JR  
23-01531

GALAXY GAMING  
LAS VEGAS NV 89119

RODRIGUEZ, MAXIMIANO  
23-01663

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89119

SINGH, ANKUR  
23-02706

BALLY TECHNOLOGIES  
LAS VEGAS NV 89119

PERSON'S NAME

EMPLOYER'S NAME

LICENSE ISSUE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****MANUFACTURER REPRESENTATIVE**SMITH, MICHAEL R  
23-02174TCS JOHN HUXLEY AMERICA INC  
LAS VEGAS NV 89120STAPLES, WILLIAM F  
23-02719AGS LLC  
LAS VEGAS NV 89118VEGAS, RAYMOND J  
23-02712ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89119WEEKS, DONALD R  
23-02713EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175YATES, MICHAEL J  
23-02709GALAXY GAMING  
LAS VEGAS NV 89119**NON-PROFIT GAMBLING MANAGER**PUGSLEY, LEANN  
61-03872VFW 02455  
MONTESANO WA 98563RAMIREZ, RUTH A  
61-04670FOE AUX 01555  
KELSO WA 98626WALTON, BRIAN L  
61-04640ROTARY CLUB/COLUMBIA CENTER  
KENNEWICK WA 99336**SERVICES SUPPLIER REPRESENTATIVE**COPENHAVER, ROBERT D  
63-00846DALLMEIER ELECTRONIC USA  
LAS VEGAS NV 89102**PUBLIC CARD ROOM EMPLOYEE**ANSCHELL, SAMUEL C  
68-34835

B

THE HIDEAWAY  
SHORELINE WA 98133-6524ARNOLD, JEFFREY A  
68-34861

B

SILVER DOLLAR CASINO/MILL CREEK  
BOTHELL WA 98012BENNETT, SYDNEY A  
68-34840

B

ALL STAR CASINO  
SILVERDALE WA 98383



PERSON'S NAME

EMPLOYER'S NAME

LICENSE ISSUE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****PUBLIC CARD ROOM EMPLOYEE**

BIRKLAND, CORY L 68-34304	B	FREDDIE'S CLUB RENTON WA 98055
BRICE, GLORIA A 68-34837	B	THE PALACE LA CENTER WA 98629
BRORNH, SOKVEASNA 68-33521	B	ROMAN CASINO SEATTLE WA 98178
CASTILLO, VERONICA B 68-34854	B	ROYAL CASINO EVERETT WA 98204
CHETH, CHAKRYA 68-04658	B	FORTUNE CASINO TUKWILA WA 98168
COLLINS, JENNIFER K 68-34851	B	LAST FRONTIER LA CENTER WA 98629-0000
CUNANAN, NORMAN U 68-16120	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
DAE, DUKE R 68-34883	B	CASINO CARIBBEAN KIRKLAND WA 98034
DENG, CHANG Q 68-16436	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
DIEP, CATHY 68-34845	B	GREAT AMERICAN CASINO/DES MOIN DES MOINES WA 98198
DORRIS, TEAIRA S 68-34836	B	ROXY'S BAR & GRILL SEATTLE WA 98126
DUNNEAN, REBECCA J 68-34869	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
FELICELDA, GENARO D 68-34848	B	RIVERSIDE CASINO TUKWILA WA 98168
FINAUGA, SALA M 68-34857	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
FRAZIER, JUSTIN M 68-34842	B	ZEPPOZ PULLMAN WA 99163
FU, NORMAN 68-34855	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

GUAN, BOLUE 68-34853	B	RIVERSIDE CASINO TUKWILA WA 98168
HAUCK, KYLE M 68-34831	B	ROYAL CASINO EVERETT WA 98204
HILTON, WESLEY A 68-34833	B	THE GETAWAY CASINO WALLA WALLA WA 99362
HOANG, HAU T 68-17633	B	ROMAN CASINO SEATTLE WA 98178
HUANG, MIAOLING 68-34846	B	RIVERSIDE CASINO TUKWILA WA 98168
HUTSON, ADA E 68-31959	B	LUCKY 21 CASINO WOODLAND WA 98674
HUYNH, TIEN N 68-34870	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
JOHNSON, JOREN L 68-34819	B	RIVERSIDE CASINO TUKWILA WA 98168
KELLY, COLLEEN N 68-34805	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
LAIR, SHANNA A 68-34871	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
LI, XIAOJIA 68-34843	B	RIVERSIDE CASINO TUKWILA WA 98168
LOVIE, DEVYN L 68-34877	B	WIZARDS CASINO BURIEN WA 98166-2524
MERAFUENTES, JASMINE D 68-23188	B	IRON HORSE CASINO AUBURN WA 98002
MILLER, LORI K 68-34868	B	ROYAL CASINO EVERETT WA 98204
MOROZ, MARGARET L 68-34867	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
MOZER, PRINCESS A 68-33050	B	HAWKS PRAIRIE CASINO LACEY WA 98516

PERSON'S NAME

EMPLOYER'S NAME

LICENSE ISSUE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****PUBLIC CARD ROOM EMPLOYEE**

NEDROW, LEIGHTON C 68-34841	B	LANCER LANES/REST AND CASINO CLARKSTON WA 99403-2219
NISHIMURA, JOSHUA A 68-28927	B	FORTUNE POKER RENTON WA 98057
OGILVIE, MATHEW T 68-34860	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
PHILLIPS, IAN C 68-33870	B	SILVER DOLLAR CASINO/MILL CREEK BOTHELL WA 98012
ROBINS, KEITH L 68-10160	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
RUSTON, CHLOE J 68-34839	B	ALL STAR CASINO SILVERDALE WA 98383
SHRUM, JEREMY J 68-24207	B	PAPAS CASINO RESTAURANT & LOUN MOSES LAKE WA 98837
SON, THIDA 68-34847	B	RIVERSIDE CASINO TUKWILA WA 98168
STERN, DAVID J 68-34838	B	THE HIDEAWAY SHORELINE WA 98133-6524
SVOBODA, JOSEPH A 68-34844	B	BLACK PEARL RESTAURANT & CARD SPOKANE VALLEY WA 99206-471
TAYLOR, NATHAN R 68-21121	B	BLACK PEARL RESTAURANT & CARD SPOKANE VALLEY WA 99206-471
THAKURI, PRABHAT S 68-34876	B	FORTUNE CASINO TUKWILA WA 98168
TRAN, THAI AN N 68-30004	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
TRUONG, TUAN M 68-34172	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
TUCKER, DEBRA A 68-34858	B	IRON HORSE CASINO AUBURN WA 98002
VAN, RANICA S 68-33522	B	FORTUNE CASINO TUKWILA WA 98168

PERSON'S NAME

EMPLOYER'S NAME

LICENSE ISSUE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

WILLIAMS, CHRISTOPHER C  
68-34864

B

LILAC LANES & CASINO  
SPOKANE WA 99208-7393

XIONG, JIENA  
68-34859

B

RIVERSIDE CASINO  
TUKWILA WA 98168

YARAMOV, VESELIN V  
68-34239

B

SILVER DOLLAR CASINO/SEATAC  
SEATAC WA 98188

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

ANDERSON, MEAGEN R  
69-27972

BULLOCK, RITA S  
69-44775

CLEMENTS, SCOTT P  
69-39675

GLEN, LAURA L  
69-44779

HALL, SARAH L  
69-36359

HENSLER, SHEENA L  
69-17726

JENSEN PARI, JERI D  
69-44766

KRAMER, MATTHEW R  
69-44769

MCDERMOTT, MICHAEL T  
69-38403

MEIERHOFER, JASON M  
69-44870

OWEN, CHRISTINA R  
69-44777

STEWART, JOY A  
69-44899

VANDELAARSCHOT, NICHOLAS H  
69-37642

VAUTRIN, MICHAEL S  
69-44776

WELLS, TAMARA L  
69-44846

**COLVILLE CONFEDERATED TRIBES**

ALATORRE, JULIO C  
69-44786

BIDLEN, KENNETH M JR  
69-44788

COLUMBIA DAY, BURGUNDY W  
69-44881

CONTRERAS MENDOZA, BERNARDINO D  
69-44753

EUBANKS, NANCY J  
69-44884

HILL, RACHEL N  
69-44883

LUTHER, CARIE J  
69-44705

RAMSEY, CAELYN J  
69-44854

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COLVILLE CONFEDERATED TRIBES**

RIVERSO, PETER A  
69-44903

SANDOVAL, SUSANA I  
69-38473

WATKINS, LISA M  
69-44784

**KALISPEL TRIBE**

GILK, FAZIMA B  
69-44760

KARNWIE, TOM G  
69-44757

LUTEY, TRISHA A  
69-44833

WOOD, MATTHEW Z  
69-44869

**LUMMI NATION**

CAGEY, HILLARY A  
69-40956

GALBRAITH, TODD K  
69-31899

MORRIS, RAYANNE C  
69-44843

OWENS, ROSS ANN D  
69-44783

**MUCKLESHOOT INDIAN TRIBE**

GENTRY, STEPHEN R  
69-44754

GOMEZ, MATTHEW J  
69-44803

QIU, SIQI  
69-44892

**NISQUALLY INDIAN TRIBE**

GALAN, JESSICA  
69-44865

HOLLIS, MELISSA G  
69-34971

MALONE, GREGORY P  
69-44900

MCDONALD, JASMINE S  
69-44765

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**NISQUALLY INDIAN TRIBE**

PALMA, CHRISTIAN G  
69-44901

SAMUEL, VLADICA  
69-44902

SHORT, TAMMY L  
69-44738

TWITTY, MELISSA C  
69-44866

VILLA, JOSEPH M  
69-44826

WESTON, SARAH L  
69-27436

WILSON, SARAH A  
69-44827

**PORT GAMBLE S'KLALLAM TRIBE**

CADENA, MASON S  
69-44834

ERICKSEN, BRUCE A  
69-44832

KENNEDY, ELIZABETH A  
69-44850

LUTEY, TRISHA A  
69-44833

MCCREA, JEFFREY C  
69-44828

NOFFSINGER, SAMANTHA R  
69-39536

PERDUE, SHERI R  
69-44831

PURSER, REBECCA L  
69-38932

RIVERA-VELAZQUEZ, LOURDES J  
69-44830

**PUYALLUP TRIBE OF INDIANS**

COOPER, RAGAN L  
69-44767

FAUBUS, DANIEL J  
69-44810

FIEBER, PEGGY A  
69-44811

FRANK, MALCOLM J  
69-44762

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PUYALLUP TRIBE OF INDIANS**

GALANG, OLIVIA R  
69-44768

ISHAK, SHABANA N  
69-44761

KHOUNBORINE, ANNY  
69-44759

RAI, YOGMAYA  
69-44789

SWANSON, CANDICE N  
69-44853

VILAYTHONG, KEO  
69-44785

WALLACE, NELSON J III  
69-44778

WELLER, JESSICA L  
69-44758

**QUINAULT NATION**

BUTLER, GAILEEN M  
69-44879

DICKENS, RONNIE  
69-44801

KELLER, CAMERON L  
69-44800

NEWTON, SHARLYNN R  
69-44763

PETERSEN, STEVEN W  
69-44824

SOTOMISH, QUENTIN E  
69-44878

YOUNG, CAPLE III  
69-44825

**SPOKANE TRIBE**

ALLEN, LEANNE C  
69-44798

BAIRD, MICHAEL C  
69-44844

BARKER, JENNIE N  
69-44860

BIRDTAIL, CHARISSA J  
69-32950

COBB, FLORA C  
69-44774

CORTES-JIMENEZ, ERIK  
69-44887



PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SPOKANE TRIBE**

DUNLAP, LEANNE R  
69-44862

FETTERS, PATRICIA A  
69-44864

FLETT, JEFFREY M  
69-44816

FLETT, LEONARD C  
69-44863

HAMILTON, HUNTER L  
69-44743

HARNASCH-SINGER, JARAMY C  
69-44817

PETERS, HOWARD A  
69-44886

SAULS, COLETTE D  
69-44796

TIPTON, LANCE J  
69-44861

VANKEUREN, BRIDGET K  
69-44845

**SQUAXIN ISLAND TRIBE**

GUSTAFSON, BRANDON T  
69-44856

MARTINEZ, JORDON I  
69-44873

MCDONALD, MITCHELL A  
69-44809

PEARSALL, ROBERT A  
69-44818

PENN, AUSTIN W  
69-44764

SCHIENDELMAN, CHLOE L  
69-44874

SMITH, KYLE C  
69-44857

STRONG, ARIEL K  
69-44756

WITHERBEE, ANGELA M  
69-44815

**STILLAGUAMISH TRIBE**

BARHATE, KAUSTUBH  
69-44787

CRERAR, ASHLEY L  
69-44849

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

STILLAGUAMISH TRIBE

ESTES, ALEXANDER W  
69-44858

HALL, JOHN W  
69-44848

HATHAWAY, JAYSON W  
69-44770

HOEYE, MELISSA A  
69-44790

HOVANDER, DEREK L  
69-44791

MANGLONA, JESSE S  
69-36472

NAFKE, WAYNE N  
69-44771

SLACK, QUIYAUNA C  
69-44880

SUQUAMISH TRIBE

EVANOFF, ERIN E  
69-44882

MCGILL, ELIZABETH C  
69-44802

SWINOMISH INDIAN TRIBAL COMMUNITY

FORCE, NIKKI L  
69-44894

WHITLEY, JOSHUA E  
69-44893

THE TULALIP TRIBES

AHLBERG, RICHARD P  
69-35603

AMES, JENNIFER A  
69-44876

CADIENTE, NELIA B  
69-44799

COMENOTE, MATILDA J  
69-44813

DELAY, BETTY L  
69-44749

GRIFFITHS, JEFFREY A  
69-44797

HANNA, RAYMOND J  
69-44812

JOE, TRISTIN D  
69-44793

LAKINS, KASANDRA D  
69-44851

LITTLEJOHN, ARNOLD F  
69-44794

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**THE TULALIP TRIBES**

MEARNS, JOSHUA M  
69-44840

NGUYEN, HOANG V  
69-44842

OKIEF, KARUNA B  
69-44838

ORDONIA, TURINA L  
69-18594

OSBORNE, DALE W  
69-44875

QUACH, LINH N  
69-44839

RABANG, DOMINGO F  
69-44781

STOOPS, LACEY R  
69-44750

THOM, MICHAEL L  
69-44782

UM, JAE MIN  
69-44780

VAIVAIMULI, MISILAO M  
69-44744

VIDES, ELIZABETH  
69-44852

WELLS, TYLER D  
69-44755

WHITFIELD, JOSEPH T  
69-44792

YOUNG-ALLEN, RUDENE V  
69-44841

**UPPER SKAGIT INDIAN TRIBE**

FARALAN, JOSEPHINE C  
69-44859

HUMM, ZAKERI E  
69-44889

MCCREA, MADISEN T  
69-44847

RODRIGUEZ, ROBERT L  
69-04925

**YAKAMA NATION**

BARNHART, CARISSA L  
69-44868

ELWELL, MELINDA A  
69-26223

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

YAKAMA NATION

JASWAY, LEO J  
69-44829

MERRIMAN, COLBY D  
69-44871

RICHARDS, CHARLENE M  
69-44620

SCOTT, CELESTINA J  
69-32381

WAHENEKA, ZEENA  
69-28099

WALTERS, JAMES M  
69-44737

WESLEY, JACLYN K  
69-44867



COMMISSION APPROVAL LIST  
(Class III Gaming Employees)

July 2018

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SNOQUALMIE CLASS III GAMING EMPLOYEES.....	1

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Based upon the licensing investigations, staff recommends approving all new Class III employees listed on pages 1.

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEES**

**COWLITZ INDIAN TRIBE**

BERG, MELISSA J  
69-42190

CHAMBERLIN, CASEY C  
69-44808

KOPPOS, STEVEN D  
69-44835

MORGAN, SAMUEL D  
69-44836

OSTRANDER, LUCAS A  
69-44773

ROUNTREE, MICHAEL R  
69-44837

SHABAZZ-STEPHENS, MIKAL I  
69-44872

**SNOQUALMIE TRIBE**

BOGGS, MARIA J  
69-44823

IKHTIARI, JOSEPH A  
69-44822

SMITH, PHILLIP D  
69-44821

WEITZEL, DAVID I  
69-44819



# Washington State Gambling Commission Pre-Licensing Report Manufacturer

## Part I Licensing/Organization Information

<b>Type of Approval</b> Manufacturer License Class "F"	<b>Premises/Trade Name/Address</b> Video Gaming Technologies, Inc. 308 Mallory Station Road Franklin, TN 37067
<b>Date of Application</b> March 23, 2018	

### APPLICANT INFORMATION

<b>Name</b> Video Gaming Technologies, Inc. (VGT)	<b>License Application #</b> 20-00258	<b>Business Phone #</b> (918) 877-7000
------------------------------------------------------	------------------------------------------	-------------------------------------------

**Address**  
308 Mallory Station Road  
Franklin, TN 37067

### ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

<b>Description/Class</b> Manufacturer Class "F"	<b>Exp. Date</b> 03/31/2019	<b>License Number(s)</b> 20-00258
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### COMMISSION STAFF

<b>License Specialist</b> Elizabeth O'Hara	<b>Special Agents</b> Julie Sullivan Donna Khanhasa
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### General Information:

Video Gaming Technologies, Inc. (VGT) was founded in 1991 and is a developer for class II gaming. In 2014, they were acquired by Aristocrat Technologies, Inc. (ATI), a licensed manufacturer and distributor. VGT is assisting ATI in the design and development of the new platform Aristocrat Tribal Lottery System (ATLS) to enter into class III gaming in Washington State. VGT's sister company, Aristocrat Technologies Australia Pty. Ltd. (ATA), a licensed manufacturer, is the owner of the Intellectual Property that goes into ATI's product that VGT helps to develop, design and manufacture. Both ATI and ATA have the same ultimate parent company, Aristocrat Leisure Limited.

**Ownership/corporate structure of VGT:**

Title	Name	% Ownership	# of Shares
President/ Director	Jayne Sevigny	0%	0
Secretary/Director	Constance James	0%	0
Director	Mark Dunn	0%	0
Shareholder	Aristocrat Technologies, Inc.	100%	100
	<b>Total</b>	100%	100

**Ownership/corporate structure of Aristocrat Technologies, Inc. (ATI):**

Title	Name	% Ownership	# of Shares
President, CFO	Constance James	0%	0
Shareholder	Aristocrat International Pty Limited	100%	100
	<b>Total</b>	100%	100

**Ownership/corporate structure of Aristocrat International Pty Limited:**

Title	Name	% Ownership	# of Shares
Director	Trevor Croker	0%	0
Director	Julie Cameron-Doe	0%	0
Shareholder	Aristocrat Leisure Limited	100%	100
	<b>Total</b>	100%	100

**Ownership/corporate structure of Aristocrat Leisure Limited\*:**

Title	Name	% Ownership	# of Shares
CEO & Managing Director	Trevor Croker	**	
CFO	Julie Cameron-Doe	**	
Secretary	Richard Bell		
Non-Executive Chairman	Ian Blackburne	**	
Non-Executive Director	Kathleen Conlon	**	
Non-Executive Director	Stephen Morro	**	
Non-Executive Director	Patrick Ramsey	**	
Non-Executive Director	Sylvia Summers-Couder	**	
Non-Executive Director	Arlene Tansey	**	
Non-Executive Director	Neil Chatfield	**	
Stockholder	BlackRock Group	7.020%***	44,884,870***
Stockholder	under 5%	92.98%	593,659,280
	<b>Total</b>	100%	638,544,150

\*Publicly traded on the Australian Stock Exchange under ALL.

\*\* Less than 5%

\*\*\* As of April 30, 2018



**Affiliated Company:**

VGT's parent company, ATI, has been licensed as a manufacturer since 2002 and a distributor since December 2017. Their sister company, ATA, has been licensed as a manufacturer since December 2017.

**Other Jurisdictions:**

VGT is primarily Class II gaming. Because of this, all of the other jurisdictions they are license with are Tribal entities with the exception of California.

**Part II  
Licensing Investigation Summary**

Special Agents from the Commission's Licensing Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. Staff went on-site to Franklin, Tennessee, and to Tulsa, Oklahoma, to conduct their investigation, which included verifying the ownership structure, reviewing financial and business records, conducting interviews and observing the manufacturing and development process. The investigation found:

- No unreported people or businesses involved (i.e. substantial interest holders);
- No undisclosed ownership or undisclosed involvement in other activities/businesses;
- No disqualifying administrative history;
- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

**Source of Funds:**

The company's source of funds was cash on hand from operations to expand into Washington.

**Part III  
Staff Recommendations**

Based upon the financial and criminal history background investigations, staff recommends licensing Video Gaming Technology, Inc. as a Class "F" Manufacturer.

<p><b>Prepared By</b> Jennifer LaMont, Agent in Charge Licensing Unit</p>	<p><b>Signature</b> </p>	<p><b>Date</b> 6/14/18</p>
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**STATE OF WASHINGTON  
GAMBLING COMMISSION**

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

June 27, 2018

**TO:**                   **COMMISSIONERS**  
Bud Sizemore, Chair  
Julia Patterson, Vice-Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**EX OFFICIO MEMBERS**  
Senator Steve Conway  
Senator Lynda Wilson  
Representative Brandon Vick  
Representative David Sawyer

**FROM:**           David Trujillo, Director

**SUBJECT:   DIRECTOR’S REPORT**

**Sports Betting:**

It has been almost two months since the US Supreme Court of the United States declared the federal ban on sports betting unconstitutional. Delaware and New Jersey have joined Nevada in offering sanctioned sports betting. Mississippi and West Virginia have approved regulations and plan to offer sports betting later this year. Mississippi will also allow mobile wagering at brick and mortar locations once approved by their state gaming commission. Rhode Island signed a bill into law with regulations expected to follow in October. Michigan is an interesting state to watch as the House approved a bill for iGaming and sports betting is seeing action in the Senate. Closer to home, we are watching to see what happens in Oregon. Oregon Lottery looks to bring back its Sports Action betting game which was discontinued in 2008 and launch an app this year that may eventually offer online or mobile sports betting once a regulatory framework and tax structure are put into place. US Congress has postponed a hearing on sports betting. The hearing was scheduled for June 26 but was postponed; no date has been set yet.

**New Tribal Negotiation Request:**

On June 25, 2018, we received a Tribal negotiation referral request from the Governor’s Office (attachment). Stillaguamish Tribe of Indians is requesting to re-negotiate the terms and conditions of the Tribal-Sate Class III Gaming Compact in its entirety to further promote efficiency within its Gaming facility. The Tribal Board of Directors have designated Stillaguamish Tribal Attorney and Legal Department Director, Edward J. Wurtz to lead the re-negotiation. Tribal Liaison Julie Lies is working with Mr. Wurtz on scheduling an introductory meeting.

**New Tribal Gaming Operation:**

Sauk-Suiattle Indian Tribe is planning to open a casino, bingo hall and café this summer. The Last Chance Casino and Bingo is under construction and set to open on or around September 1<sup>st</sup>.

The Sauk-Suiattle Indian Tribe partnered with an economic development arm of the Shoalwater Bay Indian Tribe. At this time, the casino will only be operating electronic Class II machines. They may operate Class III machines, but that will be several years out. We have offered our assistance and provided them agency staff contact information just in case.

**Office of the Washington State Auditor:**

In the next few months, we will be very busy working with representatives from the State Auditor's Office (SAO) on three engagements. **Examination #1:** As part of an audit of Washington State's Other Post-Employment Benefits (OPEB). SAO representatives will be verifying our underlying payroll records to the data provided to Washington State Health Care Authority (HCA). HCA is paying for the cost of the examination. **Examination #2:** SAO is initiating a follow-up performance audit of the data disposal process and practices used by public entities to ensure sensitive data is properly sanitized prior to agency surplus. This is a general follow-up review from a 2014 performance audit recommendation. **Examination #3:** Our agency will receive an accountability audit which will be designed to assess how well we are using and safeguarding assets.

**Other Reports:**

RCW 39.26.210 requires that we annually submit a list of all contracts that we entered into or renewed. Fiscal Analyst Lori Boyd, our Contracts Specialist, will be our lead on this project and work with representatives of the Department of Enterprise Services.

**Northwest Indian Gaming Conference and Expo 2018:**

This event was organized by the Washington Indian Gaming Association and was held at the Squaxin Island Little Creek Casino on June 18-20, 2018. Gambling Commission Staff had the opportunity to be on several panels as did Commissioner Chris Stearns. Participating staff included Brian Considine, Melissa Valencia, and Jennifer Lamont. Commissioner Stearns and I also had the opportunity to participate as well. Specifically, I was on the "Single Ticket Server, Where Do We Go from Here?" My main takeaway from this panel is that the technology for Class II gaming machines has improved significantly in the past few years. Marketing to Washington Tribes has increased dramatically and will continue into the foreseeable future. The overall impact to Class III machine gaming remains to be seen.

**REGULAR UPDATES:**

**Fee Structure Simplification Project:**

All applicable rules associated with this project are effective and we are implementing the new fee structure in July. This "project" has been a significant investment in resources, financially and in terms of people. Staff has personally reached out to over 3,000 licensees to educate them on the new license fee structure. In addition, twenty eight sub-projects were initiated beginning in June 2017. Each sub-project had to be staffed and had to be coordinated in addition to the normal and routine work. Five sub-projects are completed. Eighteen sub-projects are in progress, two are scheduled to start in August and the remaining three are scheduled to begin in either December 2018 or March of 2019. The final project due to kick-off in March will be a Review of the Quarterly License Report Reporting for Efficiencies.

**Problem Gambling Study (ESSB 6032):**

Combined team(s) from UW and WSU will work together as our vendor for the study. Specifically, the vendor will assess the level of responsible gambling programs in place, review academic literature on such programs to identify program components with evidence of effectiveness, and/or evidence as an emerging best practice and then develop and conduct survey(s). Vendor will conduct a systematic re-review and update the 2013 report titled; "Washington State Problem and Pathological Gambling Treatment Program: Levels Of Care, Service Gaps And Recommendations" regarding the current state of prevention, treatment and recovery programs and services for people with gambling-related problems offered within Washington State. Vendor will develop and conduct survey(s) and/or qualitative interviews with key stakeholders for such services currently available in our state. Finally, vendor will provide a report and recommendations to WSGC in early January 2019 for submission to lawmakers during the 2019 Legislative session. We provided an update to Tribal leaders attending the Washington Indian Gaming Association meeting on June 21, 2018. Jamestown S'Klallam Tribal Chairman Ron Allen was present and affirmed the need to be responsive. Finally, we are sorry to see that DSHS Problem Gaming Program Manager, Ann Gray will be leaving her current position at the end of July to work as a school administrator for a Dual Language Spanish Immersion program in the south sound region. This is a school model that she actually piloted early in her education career.

**Strategic Planning:**

We have prepared a draft of the Strategic Plan document. The four goals defined by Commissioners are 1) Increase the Commission's role in helping people who are suffering from gambling disorders; 2) Strengthen legislation relationships; 3) Staff continuity and success planning; and 4) Strengthen stakeholder relationships. We hoped to have final iteration of the plan for your review in July, however, that did not work out. Our current plan is to share the draft document individually with Commissioners in July and bring a final version to our August Commission Meeting. This Strategic Plan is estimated to cover the next four to five years.

Attachment

WSGC  
MAY 30 2018  
RECORDS

**STATE OF WASHINGTON  
BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS  
ON BEHALF OF THE WASHINGTON STATE GAMBLING COMMISSION**

In the Matter of the Summary Suspension of  
the License to Operate Gambling Activities  
of:

OAH No. 04-2018-GMB-00041  
GMB No. CR 2017-01110

GREGORY PAUL MEANS  
License No. 68-07011


Licensee.

**LICENSEE'S PETITION FOR  
ADMINISTRATIVE REVIEW OF  
OAH INITIAL ORDER DENYING  
STAY OF SUMMARY SUSPENSION  
OF LICENSE**

**NOTICE**

Through his undersigned attorney, licensee GREGORY PAUL MEANS requests  
administrative review of the initial administrative order denying the stay of the summary  
suspension of his gambling license by Lisa N. W. Dublin, Administrative Law Judge on May  
10, 2018. This petition is made pursuant to RCW 34.05.488, RCW 34.04.491, RCW  
34.04.494, and WAC 230-17-175.

DATED: May \_\_\_\_, 2018.

  
\_\_\_\_\_  
Bryan Hershman, WSBA No. 14380  
Attorney for Licensee

DEFENDANT'S MEMORANDUM- 1

**LAW OFFICE OF BRYAN G. HERSHMAN**  
Attorney at Law  
1105 Tacoma Avenue South  
Tacoma, Washington 98402  
Phone (253) 383-5346

MAY 11 2018

GOVERNMENT COMPLAINTS  
& ENFORCEMENT

**WASHINGTON STATE  
OFFICE OF ADMINISTRATIVE HEARINGS**

In the matter of:

Docket No. 04-2018-GMB-00041

Gregory P. Means,

**INITIAL ORDER DENYING STAY**

Appellant.

Agency: Gambling Commission  
Program: Washington State Gambling Commission  
Agency No. CR 2017-01110

**1. ISSUE**

1.1. Should the summary suspension of gambling license number 68-07011 of Appellant Gregory P. Means be stayed or modified under WAC 230-17-170?

**2. ORDER SUMMARY**

2.1. No. Staying or modifying the summary suspension of gambling license number 68-07011 of Appellant Gregory P. Means is denied under WAC 230-17-170.

**3. HEARING**

3.1. Hearing Date: April 30, 2018

3.2. Administrative Law Judge: Lisa N. W. Dublin

3.3. Appellant: Gregory P. Means

3.3.1. Representative: Bryan Hershman, Attorney at law

3.4. Agency: Gambling Commission

3.4.1. Representative: Gregory J. Rosen, AAG; Agent Jess Lohse also attended.

3.5. Exhibits: Exhibits 1 through 46 were admitted.

**4. FINDINGS OF FACT**

I find the following facts by clear and convincing evidence:

*Jurisdiction*

4.1. On March 19, 2018, the Commission issued a Notice of Administrative Charges and Summary Suspension Order of Appellant's Public Card Room Employee license number 68-29734.

4.2. On April 9, 2018, the Commission received Appellant's Request for Stay of this summary suspension.

*Commission's Investigation of Mr. Means*

- 4.3. During all times relevant hereto, Gregory Means worked for Macau Casino in Tukwila, Washington, as General Manager. During this time, Mr. Means held Public Card Room Employee license number 68-07011.
- 4.4. As General Manager, Mr. Means is the primary point of contact with the Commission regarding Macau Casino. Ex. 1, p.9. Means' duties include preparing and keeping all internal controls, reporting all suspicious/illegal activity occurring at the casino to the Commission, serving as systems administrator for the casino's digital surveillance system, completing all suspicious activity reports (SARs) and currency transaction reports (CTRs), training casino personnel regarding the casino's anti-money laundering procedures, and acting as the casino's Anti-Money Laundering Officer. *Id.*
- 4.5. Also during this time, Anna Bui was a licensed card room employee at Macau Casino. In mid-2016, the Commission commenced an investigation of Ms. Bui for loan sharking, money laundering, and check kiting. Ex. 1. Such unlawful activity allegedly took place in the open and almost everyone, including players and employees, knew about it. *Id.*, p.10. During this investigation, Commission investigator Jess Lohse learned from sources/witnesses that:
- Mr. Means was aware of Ms. Bui's loan sharking activities inside Macau Casino, but turned a blind eye.
  - Mr. Means financially benefited from Ms. Bui's loan sharking activities at Macau Casino, in that he received bonuses based on casino productivity.
  - Mr. Means did not report various suspicious incidents involving Ms. Bui and others to the Commission.
  - Between 6/28/16 and 1/14/17, Mr. Means completed 77 CTRs on Ms. Bui totaling \$1,444,990, while Ms. Bui only earned \$57,548.23 from working at Macau Casino during this time.

*Id.*, pp.9, 14, 20, 22, 26-27, 30-31, 33; Ex. 2, p.3, 5; Ex. 22, pp.12, 14.

- 4.6. Investigator Lohse also learned that the Tukwila Police Department and Postal Division were concerned about the amount of alleged drug trafficking at the casino, which Mr. Means may have tolerated. Ex. 2, p.2. In addition, along with other alleged unlawful behavior, Mr. Means allegedly engaged in unauthorized professional sports betting, using Ms. Bui as a bookie. Ex. 22, pp. 1, 20-22.

4.7. Following his investigation, Investigator Lohse recommended summarily suspending Mr. Means' CRE license under RCW 9.46.075 and related regulations. Ex. 1, pp.1, 34.

4.8. Mr Means did not offer any documentary evidence into the stay hearing record.

## 5. CONCLUSIONS OF LAW

Based upon the facts above, I make the following conclusions:

### *Jurisdiction*

5.1. I have jurisdiction over the persons and subject matter of this case under RCW 9.46.140(2) & (4), and WAC 230-17-025.

5.2. The Commission may suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest, including instances where the licensee (1) has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW or any rules adopted by the commission pursuant thereto, or when a violation of any provision of such chapter or rule has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control; (2) knowingly causes, aids, abets, or conspires with another to cause any person to violate any state laws or commission rules; or (3) misrepresents or fails to disclose a material fact to the commission. RCW 9.46.075; WAC 230-17-165.

5.3. To obtain a stay of his suspended license, Mr. Means has the burden of proving, by clear and convincing evidence, all four of the following elements:

- (a) The licensee or permittee is likely to prevail upon the merits of the evidence at hearing; and
- (b) Without relief, the licensee or permittee will suffer irreparable injury. For purposes of this section, elimination of income from licensed activities must not be deemed irreparable injury; and
- (c) The grant of relief will not substantially harm other parties to the proceedings; and
- (d) The threat to the public safety or welfare is not sufficiently serious to justify continuation of the suspension, or that modification of the terms of the suspension will adequately protect the public interest.

WAC 230-17-170(6)(a)-(d).



*Mr. Means Fails to Meet His Burden of Proof*

- 5.4. Counsel for Mr. Means presented no evidence or argument that Mr. Means would likely prevail at a license revocation hearing. Rather, counsel for Mr. Means rested on the record, arguing it was primarily rank hearsay. However, this argument does not establish that the Commission would be unable to corroborate the extensive, detailed investigative reports with witness testimony and documentary evidence at a revocation hearing. If corroborated, the extent of Mr. Means' unlawful activity while General Manager at Macau Casino would constitute an immediate danger to the public safety and welfare without license revocation. Under WAC 230-17-170(6)(a), Mr. Means has not sufficiently shown that he is likely to prevail at a license revocation hearing under RCW 9.46.075.
- 5.5. Nor did Mr. Means produce any evidence under WAC 230-17-170(6)(b) or legal argument that (1) he will suffer irreparable injury separate from the income lost from licensed activity, (2) that a stay would not substantially harm the Commission, or (3) that his continued suspension is unjustified based on the insufficiently serious threat he poses to public safety or welfare.
- 5.6. The Commission properly exercised its discretion to summarily suspend Gregory P. Means' Public Card Room Employee license under RCW 9.46.075. Mr. Means has not proven by clear and convincing evidence the requisite four elements in WAC 230-17-170(6)(a)-(d).

**6. INITIAL ORDER**

**IT IS HEREBY ORDERED THAT:**

- 6.1. The Gambling Commission action is **AFFIRMED**.
- 6.2. A stay or modification of the suspension of Gregory P. Means' Public Card Room Employee license # 68-07011 is denied.

Issued from Tacoma, Washington on the date of mailing.



---

Lisa N. W. Dublin  
Administrative Law Judge  
Office of Administrative Hearings

**CERTIFICATE OF SERVICE ATTACHED**

## **PETITION FOR REVIEW**

This order is entered pursuant to RCW 34.05.482, 34.05.485, and WAC 230-17-150, 230-17-160, and 230-17-170.

Review of this order is available pursuant to RCW 34.05.488, 34.05.491, 34.05.494, and WAC 230-17-175.

**CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 04-2018-GMB-00041**

I certify that true copies of this document were served from Tacoma, Washington via Consolidated Mail Services upon the following as indicated:

<p>Gregory P. Means 407 S. 15th Sreet Renton, WA 98055 <b>Appellant</b></p>	<p><input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail: <a href="mailto:gpm7747@gmail.com">gpm7747@gmail.com</a></p>
<p>Bryan G. Hershman Law Office of Bryan Hershman 1105 Tacoma Ave S. Tacoma, WA 98402 <b>Appellant Representative</b></p>	<p><input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail: <a href="mailto:bryan@bryanhershman.com">bryan@bryanhershman.com</a></p>
<p>Gregory J. Rosen, AAG Office of The Attorney General 1125 Washington St SE MS: 40100 PO Box 40100 Olympia, WA 98504-0100 <b>Agency Representative</b></p>	<p><input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail: <a href="mailto:GregR@atg.wa.gov">GregR@atg.wa.gov</a></p>
<p>Haylee Mills, Staff Attorney Gambling Commission MS: 42400 PO Box 42400 Olympia, WA 98504-2400 <b>Agency Contact</b></p>	<p><input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail: <a href="mailto:haylee.mills@wsgc.wa.gov">haylee.mills@wsgc.wa.gov</a></p>

Date: Thursday, May 10, 2018

OFFICE OF ADMINISTRATIVE HEARINGS



Ricci Frisk  
Legal Administrative Manager



**STATE OF WASHINGTON  
GAMBLING COMMISSION**

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

July 1, 2018

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**FROM:** Haylee P. Mills, Staff Attorney  
Legal and Records Division

**SUBJECT: Jordan S. Hjorth, CR 2018-00405  
Final Order – July 12, 2018 Commission Meeting**

Mr. Jordan S. Hjorth had a gambling certification authorizing Class III Employee activity at ilani Casino in Ridgefield, Washington. His license expired on June 26, 2018.

On February 21, 2018, Mr. Hjorth was charged in Clark County Superior Court Case No. 18-1-00504-3 with one count of Possession of Stolen Property Second Degree, a Class C Felony. Mr. Hjorth’s case is still pending, and is set for trial in September, 2018.

Director Trujillo issued a Notice of Administrative Charges on May 7, 2018, to Mr. Hjorth by regular and certified mail to the last address the Gambling Commission had on file. The regular mail was returned on May 18, 2018 as “Return to Sender, Attempted- Not Known, Unable to Forward.” The certified mail was returned on May 25, 2018 as “Return to Sender, Attempted- Not Known, Unable to Forward.” As of the date of this memo, the Commission has not received any response from Mr. Hjorth.

Mr. Hjorth’s failure to respond to the charges or request a hearing is a waiver of Mr. Hjorth’s right to a hearing in Case No. CR 2018-00405. You may take final action against his gambling certification. Based on his conduct, Mr. Hjorth cannot show by clear and convincing evidence that he is qualified to keep his gambling certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke Jordan S. Hjorth’s Class III Employee certification, Number 69-42668.



STATE OF WASHINGTON  
GAMBLING COMMISSION

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

July 1, 2018

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**FROM:** Haylee P. Mills, Staff Attorney  
Legal and Records Division

**SUBJECT: Loren G. Maxey, CR 2018-00263**  
**Final Order – July 12, 2018 Commission Meeting**

Mr. Loren G. Maxey has a gambling license authorizing Public Card Room Employee activity at Zeppoz Casino in Pullman, Washington. His license expires on July 21, 2018.

Between May, 2017 and February 3, 2018, Mr. Maxey was observed on casino surveillance stealing large quantities of chips from gaming tables and large quantities of cash from the count room at Zeppoz Casino. Mr. Maxey falsified Table Inventory Slips to conceal his thefts. Mr. Maxey's actions caused Zeppoz Casino ownership and staff to violate WAC Rules concerning internal controls, accounting for table inventory, and closing tables. When confronted, Mr. Maxey admitted to some of the thefts. The total loss to the casino was \$95,449.00.

Based on the above allegations, on February 8, 2018, Mr. Maxey was charged in Whitman County Superior Court Case No. 18-1-00025-38 with one count of Theft in the First Degree, a Class B felony, one count of Forgery, a Class C Felony, and one count of Money Laundering, a Class B Felony. Mr. Maxey's case is still pending and is set for trial on July 23, 2018.

Director Trujillo issued a Notice of Administrative Charges on May 14, 2018, which was sent to Mr. Maxey on May 17, 2018 by regular and certified mail to the last address the Gambling Commission had on file. The certified mail was returned on May 29, 2018 as "Return to Sender, Insufficient Address, Unable to Forward." The regular mail was returned on May 30, 2018 as "Return to Sender, Insufficient Address, Unable to Forward." As of the date of this memo, the Commission has not received any response from Mr. Maxey.

Mr. Maxey's failure to respond to the charges or request a hearing is a waiver of Mr. Maxey's right to a hearing in Case No. CR 2018-00263. You may take final action against his gambling license. Based on his conduct, Mr. Maxey cannot show by clear and convincing evidence that he is qualified to keep his gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Loren G. Maxey's gambling license, License Number 68-29961.

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**BEFORE THE WASHINGTON STATE GAMBLING COMMISSION**

In the Matter of the Petition of Big Fish Games,  
Inc. for a Declaratory Order

Matter No.:

**PETITION**



1 when Facebook friends install BFC. *Id.* Players also have the option to purchase additional virtual  
2 chips. *Id.*

3 5. BFC’s virtual chips cannot be exchanged or cashed out for money and they have no value  
4 in the real world. *Id.* ¶ 4. Virtual chips may be used only within the games, including, for example, to  
5 play the games or to acquire a virtual pet, cupcake, flag, or other virtual item. *Id.* BFC’s terms of use  
6 prohibit the sale or transfer “for commercial gain” of virtual chips,<sup>2</sup> and the game does not provide a  
7 means for players to conduct such a transaction.<sup>3</sup> *Id.* ¶¶ 5-6.

8 6. For years, BFC’s owners, players of the game, and state regulators have operated  
9 pursuant to the understanding that BFC games do not constitute gambling within the meaning of the  
10 Washington Gambling Act, consistent with the text, purpose, and history of the statute, and state court  
11 precedent. Recently, however, a federal court issued a ruling at the preliminary phase of a case that set  
12 forth an interpretation that is in tension with that understanding and with the state’s long-standing  
13 application of the state statute. *See* below at ¶ 27 (discussing *Kater v. Churchill Downs Inc.*, 886 F.3d  
14 784, 787 (9th Cir. 2018)).<sup>4</sup> A federal court’s view of Washington state law is not, of course, binding on  
15 the state of Washington, its courts, or agencies, because it is the state that is charged with interpreting  
16 and enforcing state law. *See, e.g., In re Elliott*, 74 Wash. 2d 600, 602 (1968) (“state courts are not  
17 bound by federal court interpretations of state statutes”).

18 7. The Washington legislature has vested this Commission with the responsibility of  
19 enforcing the Washington Gambling Act and interpreting the statute. *Ass’n of Wash. Bus. v. Dep’t of*

20  
21 \_\_\_\_\_  
22 <sup>2</sup> The Terms of Use provide, in relevant part: “Virtual items may not be transferred or resold for  
23 commercial gain in any manner, including, without limitation, by means of any direct sale or auction  
24 service. Virtual items may not be purchased or sold from any individual or other company via cash,  
barter or any other transaction. Virtual items have no monetary value, and cannot be used to purchase or  
use products or services other than within the applicable Big Fish Offering. Virtual items cannot be  
refunded or exchanged for cash or any other tangible value.”

25 <sup>3</sup> Since at least 2013, BFC allows a player to “gift” virtual chips to another player within the games  
26 through use of virtual gold bars that are obtained through play or purchased within the games. *Vella*  
Decl. ¶ 6. Neither the gifting player nor Big Fish Games receives any financial compensation when  
virtual chips are gifted. *Id.*

27 <sup>4</sup> The *Kater* case is an action against Churchill Downs, Inc., a predecessor owner of Big Fish Games.  
28



1 *Revenue*, 155 Wash. 2d 430, 440 (2005) (Washington state agency has authority to interpret statutes it  
2 enforces). The Washington legislature has charged the Commission with, among other things, the  
3 “power to enforce” the “penal laws of [the] state relating to the conduct of or participation in gambling  
4 activities.” RCW 9.46.210(3). The legislature also charged the Commission with “adopt[ing] such rules  
5 and regulations as are deemed necessary to carry out the purposes and provisions of” the Washington  
6 Gambling Act. RCW 9.46.070(14). This law enforcement authority of the Commission includes the  
7 authority to interpret the scope of Washington’s gambling statute. *See Ass’n of Wash. Bus.*, 155 Wash.  
8 2d at 440.

9 8. Washington State’s governing legal principles of statutory construction, the state  
10 legislature’s purpose in enacting the Washington Gambling Act, and Washington State judicial  
11 precedent compel the conclusion that playing BFC games, and similar online social games, does not  
12 constitute gambling within the meaning of state law. The Commission should enter a declaratory order  
13 to that effect, consistent with the long-standing understanding and application of state law.

14 **THE PETITION SATISFIES THE REQUIREMENTS FOR THE ISSUANCE OF A**  
15 **DECLARATORY ORDER**

16 9. This Petition satisfies the requirements for issuance of a declaratory order. The  
17 Commission’s regulations provide that “[a]ny person may petition the commission for a declaratory  
18 order with respect to the applicability to specified circumstances of a rule, order, or statute enforceable  
19 by the agency.” Wash. Admin. Code § 230-17-180(1). “The petition must . . . show:

- 20 (a) That uncertainty necessitating resolution exists; and
- 21 (b) That there is actual controversy arising from the uncertainty such that a declaratory order  
22 will not be merely an advisory option; and
- 23 (c) That the uncertainty adversely affects the petitioner; and
- 24 (d) That the adverse effect of uncertainty on the petitioner outweighs any adverse effects on  
25 others or on the general public that may likely arise from the order requested.”

26 *Id.*

27 10. Uncertainty exists necessitating resolution as to whether playing BFC games constitutes  
28 gambling within the meaning of the Washington Gambling Act. Until recently, game owners and

1 players relied on the long-standing understanding, consistent with the enforcement practices and public  
2 guidance of the Commission (including in a publication issued in 2014, *see* Rubman Decl. ¶ 2, Exh. A),  
3 that BFC games and similar online games, *i.e.*, games where virtual tokens that are received by players  
4 have no real-world value and cannot be cashed out, do not constitute gambling under Washington law.  
5 In March 2018, however, a federal court, in attempting to interpret Washington state law, set forth a  
6 reading of state law that creates uncertainty necessitating resolution for Petitioner concerning its BFC  
7 games. *See* [https://www.wsgc.wa.gov/news/press-releases/directors-statement-regarding-ninth-circuit-](https://www.wsgc.wa.gov/news/press-releases/directors-statement-regarding-ninth-circuit-court-appeals-published-decision)  
8 *court-appeals-published-decision* (describing uncertainty and confusion created by federal court  
9 opinion).

10 11. An actual controversy arises from this uncertainty such that the declaratory order  
11 Petitioner seeks will not be merely an advisory opinion. The actual controversy over whether BFC  
12 games, owned by Petitioner, constitute gambling under the Washington Gambling Act, in light of the  
13 specific factual circumstances that the BFC games present, can be addressed through a declaratory order  
14 that applies to these specific factual circumstances.<sup>5</sup>

15 12. The uncertainty adversely affects Petitioner Big Fish Games, which must determine steps  
16 necessary for regulatory compliance associated with BFC games, as the owner of BFC.<sup>6</sup>

17 13. The adverse effect of the uncertainty on Big Fish Games far outweighs any adverse  
18 effects on others or on the general public that could arise from the order requested. The public will

19  
20 <sup>5</sup> *See*, in the context of the Washington Utilities and Transportation Commission applying its  
21 comparable regulations, *In re Sea Breeze Pac. Juan De Fuca Cable, LP*, 2005 WL 3529315 (Wash.  
22 UTC Nov. 3, 2005) (“The petition demonstrates an actual controversy, showing that resolution of the  
23 issue is needed to avoid regulatory confusion . . . .”); *compare In re Seatac Shuttle, LLC*, 2012 WL  
24 6513392, at \*2 (Wash. UTC Dec. 11, 2012) (petitioner’s “request that we disregard [specific] facts and  
25 provide only generic guidance on [statutory] terms . . . seeks an advisory opinion” and fails actual  
26 controversy requirement).

27 <sup>6</sup> *See In the Matter of Petition of Microsoft Corp. for Declaratory Order* (Wash. State Gambling  
28 Comm’n) (Nov. 14, 2014) (declaratory order entered to resolve uncertainty that adversely affected  
petitioner by preventing sale of certain online advertising); *see also*, in the context of the Washington  
Utilities and Transportation Commission applying its comparable regulations, *In re Bonneville Power  
Admin.*, 2007 WL 1472218 (Wash. UTC May 16, 2007) (“The uncertainty has an adverse effect on  
Bonneville by presenting a potential barrier to completion of the facilities.”); *In re Pac. Power & Light  
Co.*, 2014 WL 345665, at \*3 (Wash. UTC Jan. 29, 2014) (“the resulting uncertainty adversely affects the  
Company in the form of a potential enforcement action”).

1 benefit from the requested declaratory order. It is in the public's interest to have uncertainty resolved as  
2 to BFC games, which are widely enjoyed by many players as a form of entertainment. More than  
3 865,000 installations of BFC have come from an IP address geo-located in the state of Washington, and  
4 there have been more than 100,000 such installations in the past twelve months. Vella Decl. ¶ 7. A  
5 stated purpose of the Washington Gambling Act is to "avoid restricting participation by individuals in  
6 activities and social pastimes, which . . . are more for amusement rather than for profit, do not  
7 maliciously affect the public, and do not breach the peace." RCW 9.46.010. Throughout the state of  
8 Washington, the social games industry (which includes a variety of online free-to-play video games with  
9 various virtual items of no real-world value) is estimated by the Entertainment Software Association to  
10 employ more than 6,000 people in Washington. See Entertainment Software Association, *Video Games*  
11 *in the 21st Century, The 2017 Report*, at p. 13, Table C-3: "U.S. Game Company Employment by State;  
12 Top Seven States", [http://www.theesa.com/wp-content/uploads/2017/02/](http://www.theesa.com/wp-content/uploads/2017/02/ESA_EconomicImpactReport_Design_V3.pdf)  
13 [ESA\\_EconomicImpactReport\\_Design\\_V3.pdf](http://www.theesa.com/wp-content/uploads/2017/02/ESA_EconomicImpactReport_Design_V3.pdf). (excerpt attached as Exh. B to Rubman Decl. ¶ 3)

14 **THE COMMISSION SHOULD ENTER A DECLARATORY ORDER THAT BIG FISH**  
15 **CASINO GAMES DO NOT CONSTITUTE GAMBLING WITHIN THE MEANING OF THE**  
16 **WASHINGTON GAMBLING ACT**

17 14. The Commission should enter a declaratory order that BFC games do not constitute  
18 gambling within the meaning of Washington law because BFC games can be played for free, the virtual  
19 tokens provided within the games cannot be redeemed for cash and have no real-world value and, thus,  
20 BFC games are not played for profit. BFC games are a quintessential example of games played for  
entertainment.

21 15. The Washington Gambling Act defines "gambling" to mean "staking or risking  
22 something of value upon the outcome of a contest of chance or a future contingent event not under the  
23 person's control or influence, upon an agreement or understanding that the person or someone else will  
24 *receive something of value* in the event of a certain outcome." RCW 9.46.0237 (emphasis added). The  
25 Act defines thing "of value" to mean "any money or property, any token, object or article exchangeable  
26 for money or property, or any form of credit or promise, directly or indirectly, contemplating transfer of  
27 money or property or of any interest therein, or involving extension of a service, entertainment or a  
28 privilege of playing at a game or scheme without charge." RCW 9.46.0285.

1           16. That statutory definition of thing “of value” includes four categories that are separately  
2 described as follows: (1) “any money or property”; (2) “any token, object or article exchangeable for  
3 money or property”; and (3) “any form of credit or promise, directly or indirectly, contemplating  
4 transfer of money or property or any interest therein” or (4) “any form of credit or promise, directly or  
5 indirectly, . . . involving extension of a service, entertainment or a privilege of playing at a game or  
6 scheme without charge.” RCW 9.46.0285.

7           17. The virtual tokens in BFC games do not fall within any of the four categories of that  
8 statutory definition of thing “of value.” First, they are not “money or property.” Second, they are not  
9 “exchangeable for money or property.” BFC’s terms of use, to which game players must agree,  
10 explicitly state that “[v]irtual items cannot be refunded or exchanged for cash or any other tangible  
11 value.” *See*, note 2, *supra* (setting out other relevant terms of use); note 1, *supra* (incorporating by  
12 reference). Third, the virtual tokens are not a form of credit “contemplating transfer of money or  
13 property or any interest therein.” The BFC terms of use explain that “[v]irtual items may not be  
14 transferred or resold for commercial gain in any manner, including, without limitation, by means of any  
15 direct sale or auction service.” *Id.* The terms of use further specify that “[v]irtual items may not be  
16 purchased or sold from any individual or other company via cash, barter or any other transaction.” *Id.*  
17 And the terms unequivocally state that “[v]irtual items have no monetary value, and cannot be used to  
18 purchase or use products or services other than within the applicable Big Fish Offering.” *Id.*

19           18. Fourth, BFC virtual tokens are not a “form of credit” involving “extension of . . .  
20 entertainment or a privilege of playing at a game or scheme without charge.” That textual qualification  
21 of “without charge” means that a “form of credit” is a thing of value *only if* it is a credit for playing at a  
22 game for which there would *otherwise be a “charge”* to play. But BFC games are free to play, they  
23 automatically provide virtual tokens at the commencement of play, they provide additional virtual  
24 tokens automatically at frequent, regular intervals, and the virtual tokens cannot be cashed out and they  
25 have no real-world value. Thus, virtual tokens in BFC cannot somehow constitute an extension of  
26 entertainment or privilege of playing a game “without charge,” because there is no “charge” required to  
27 play the games. Virtual tokens in BFC therefore do not constitute a thing “of value” within the meaning  
28 of the Washington Gambling Act, RCW 9.46.0285, RCW 9.46.0237.

1           19.     Petitioner’s understanding of the plain meaning of the statutory text is required by  
2 Washington state law’s fundamental principles of statutory interpretation. Washington statutory  
3 provisions must be interpreted according to the principle of *noscitur a sociis*, which means that one term  
4 in a group must be interpreted within the context of the other terms in the group and precludes  
5 interpretation of one of the terms in such a broad manner that it is inconsistent with the other terms. *See*  
6 *Wright v. Jeckle*, 158 Wash. 2d 375, 381 (2006) (“[A] word is known by the company it keeps.”)  
7 (quoting *Gustafson v. Alloyd Co.*, 513 U.S. 561, 575 (1995)); *State v. Roggenkamp*, 153 Wash. 2d 614,  
8 623 (2005) (“[T]he meaning of words may be indicated or controlled by those with which they are  
9 associated.”) (citation omitted).

10           20.     This statutory interpretation doctrine means that the fourth category in the definition of  
11 thing “of value” in RCW 9.46.0285 cannot be construed so broadly as to be inconsistent with the other  
12 three categories. The first three categories expressly include only things that are monetized in the real  
13 world, *i.e.*, things that are, or may be exchanged or transferred for, “money,” “property,” or a property  
14 interest. Those categories all include only things of real-world value—things of worth outside the  
15 virtual game being played. As such, the fourth category, properly interpreted in the context of the first  
16 three categories, is appropriately understood to be limited to things that have real-world value as well,  
17 and not to extend to virtual tokens that cannot be redeemed for cash and have no real-world value, but  
18 are of use only within a virtual game. To extend the fourth category to include such virtual items would  
19 be wholly inconsistent with the limitation to real-world value that underpins the value concept being  
20 defined and would render the thing “of value” limitation meaningless.

21           21.     Washington statutory provisions must also be interpreted according to the principle of  
22 *ejusdem generis*, which requires that general terms in a statute that are connected to specific terms in a  
23 sequence are to be interpreted and given effect only to the extent that the general terms include items  
24 that are similar to those included by the specific terms. *See Davis v. Dep’t of Licensing*, 137 Wash. 2d  
25 957, 970, 977 P.2d 554 (1999) (“[S]pecific terms modify or restrict the application of general terms  
26 where both are used in sequence.”) (citation omitted) (quoting *Dean v. McFarland*, 81 Wash. 2d 215,  
27 221 (1972); *see also In re Estate of Jones*, 152 Wash. 2d 1, 11 (2004). Because the first three  
28 categories listed in the statutory definition of thing “of value” are all directed to things of value in the

1 real world, this statutory interpretation doctrine means that the fourth category must be limited in similar  
2 fashion to exclude virtual tokens that are used only for entertainment within the online game itself, but  
3 cannot be cashed in for money and have no real-world value like money, property, or a property interest.

4 22. Petitioner’s interpretation of the statute supports “the legislative intent in the context of  
5 the *whole* statute and its general purpose.” *City of Seattle v. State*, 136 Wash. 2d 693, 701 (1998)  
6 (citation omitted). The Washington state legislature specified that its intent when enacting the  
7 Washington Gambling Act was “to keep the criminal element out” of gambling, in particular “organized  
8 crime,” and to restrain “professional” gambling, but “at the same time,” to “avoid restricting  
9 participation by individuals in activities and social pastimes, which . . . are more for amusement rather  
10 than for profit, do not maliciously affect the public, and do not breach the peace.” RCW 9.46.010.

11 23. Petitioner’s interpretation of the statute is further confirmed by the requirement of  
12 Washington law that any ambiguity in the statute be construed narrowly under the rule of lenity. The  
13 rule of lenity requires that any ambiguity in a Washington statute that imposes penal or criminal  
14 sanctions be interpreted in the manner most favorable to the party that may be accused of violating the  
15 law; in other words, in the manner that limits rather than expands potential criminal liability. *State v.*  
16 *Roberts*, 117 Wash. 2d 576, 586 (1991). The rule applies to any statute imposing penal or criminal  
17 sanctions, including in a case that is “civil in form.” *Kahler v. Kernes*, 42 Wash. App. 303, 308 (1985)  
18 (“As it is a penal statute, although civil in form, we *must* adopt the interpretation most favorable to [the  
19 party facing penalty].” (emphasis added)). The statutory definitions of “gambling” and “[t]hing of  
20 value,” RCW 9.46.0237, 9.46.0285, which are at issue here, give rise to criminal penalties under  
21 multiple provisions of the Washington Gambling Act that incorporate those definitions. *See, e.g.*, RCW  
22 9.46.160 (prescribing “class B felony”), 9.46.198 (prescribing “gross misdemeanor”). Thus, these  
23 definitions must be interpreted narrowly, as set forth above, such that BFC games do not constitute  
24 gambling under the Washington Gambling Act. The Commission should avoid a broader interpretation  
25 that would greatly expand criminal liability under state law.

26 24. The Washington Court of Appeals’ interpretation of the Washington Gambling Act also  
27 supports this interpretation. In *Bullseye Distributing LLC v. State Gambling Commission*, the Court of  
28 Appeals ruled that playing the video slot machine at issue there was “gambling” because “[i]f a person

1 accumulate[d] a predetermined target number of prize points, he . . . won the game *and [could] redeem*  
2 *the prize target for cash or merchandise.*” 127 Wash. App. 231, 236 (2005) (emphasis added). In so  
3 holding, the Court of Appeals affirmed a declaratory order by the Commission that had reached the  
4 same conclusion. *Id.* at 233-34; *In re Bullseye Distributing LLC*, No. 2002-GMB-0028 (Wash. State  
5 Gambling Comm’n 2003). Here, the key fact that a prize be redeemable for cash or real-world  
6 merchandise does not exist. Accordingly, because the virtual tokens in the BFC games cannot be  
7 redeemed for cash and have no real-world value, there is no thing “of value” within the meaning of the  
8 Washington Gambling Act, RCW 9.46.028; RCW 9.46.0237.

9 25. Petitioner’s requested statutory interpretation also is consistent with the long-standing  
10 enforcement practices of the Commission as well as Commission guidance, published in 2014, which  
11 sets forth the interpretation discussed above and makes clear that games like BFC games do not  
12 constitute gambling under Washington law. Since March, 2014, the pertinent brochure, entitled *Online*  
13 *Social Gaming: When is it legal? What to Consider*, has provided the authoritative direction to game  
14 players and owners with respect to permissible conduct under Washington law. *See* Rubman Decl. ¶ 2,  
15 Exh. A. The brochure covers a broad swath and ever-expanding range of online video games, “from  
16 tending a farm to playing a soldier in combat.” The brochure makes clear that games that “give free  
17 virtual money to begin play,” and allow additional virtual items to be purchased to continue or enhance  
18 play, are not gambling under Washington law where such virtual items cannot be cashed in or redeemed  
19 for “‘real’ money or prizes.” *Id.* The brochure states that such games are “OK To Play.” *Id.* The  
20 issuance of the brochure followed a public Commission hearing the previous year where there was a  
21 presentation that reviewed features of several games, including BFC.

22 26. Petitioner Big Fish Games, game players, owners of similar games, and others have relied  
23 for years on the above-described interpretation and enforcement practices by the State.

24 27. The federal court opinion that created the uncertainty here poses no barrier to this petition  
25 because it does not control the interpretation of state law by this Commission. *See In re Elliott*, 74  
26 Wash. 2d at 602. And the interpretation set forth in the opinion, *Kater v. Churchill Downs*, 866 F.3d,  
27 784 (9th Cir. 2018) is, in any event, flawed for the reasons set forth in this petition. That court’s  
28 interpretation was premised on a limited record at the motion to dismiss stage, and the court declined to

1 consider the fact that game users receive additional chips automatically at various points that allow  
2 gameplay without cost; the court viewed the record at that point not to include such an allegation. The  
3 trial court whose dismissal of the complaint was reversed on that basis, had viewed the record  
4 differently and correctly applied state law to conclude that the virtual chips in BFC games are not things  
5 “of value” under the Washington Gambling Act. *Kater v. Churchill Downs*, No. C15-612, 2015 WL  
6 9839755 (W.D. Wash. Nov. 19, 2015).

7 **PRAYER FOR RELIEF**

8 28. For the reasons set forth above, Big Fish Games respectfully requests the Commission  
9 enter a declaratory order confirming that BFC games do not constitute gambling within the meaning of  
10 the Washington Gambling Act, RCW 9.46.0237, because virtual tokens in the games cannot be  
11 redeemed for cash and have no value in the real world, and thus the games are not subject to the  
12 Commission’s regulation or enforcement jurisdiction.<sup>7</sup>

13  
14 Respectfully submitted, this 3rd day of July 2018.

15  
16 By: /s/ Matthew R. Berry

17  
18 Beth Brinkmann (DC Bar No. 477771)<sup>8</sup>  
19 Gary M. Rubman (DC Bar No. 474964)  
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23  
24 <sup>7</sup>Alternatively, if the Commission is not prepared to issue a declaratory order based on the petition at this  
25 time, Petitioner requests a hearing and opportunity for briefing on the matter. Petitioner can make itself  
26 available, at the Commission’s request, to present a demonstration of BFC games.

27 <sup>8</sup> Ms. Brinkmann and Mr. Rubman are appearing pursuant to WAC 230-17-045(3) (allowing  
28 appearances by attorneys “entitled to practice before the highest court of record of any other state, if  
Washington attorneys are permitted to appear before administrative agencies of the other state, and if not  
otherwise prohibited by our state law”).



1 Tel (202) 662-5312  
2 Fax (202) 778-5312

*Counsel for* BIG FISH GAMES, INC.

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**VERIFICATION**

1. I am counsel for Petitioner Big Fish Games, Inc. in this matter.

2. I have reviewed the foregoing petition and on my own personal knowledge, except those facts set forth in the accompanying Declaration of Andy Vella, I know that the facts therein are true.

I certify that the foregoing statements made by me are true. I certify that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

COVINGTON & BURLING LLP

By:  /s/ Beth Brinkmann

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*Counsel for*  
BIG FISH GAMES, INC.

Dated: July 3, 2018

1 **BEFORE THE WASHINGTON STATE GAMBLING COMMISSION**

2  
3 In the Matter of the Petition of Big Fish Games,  
4 Inc. for a Declaratory Order

Matter No.:

5 **DECLARATION OF GARY RUBMAN IN**  
6 **SUPPORT OF BIG FISH GAMES, INC.'S**  
7 **PETITION FOR A DECLARATORY**  
8 **ORDER**


9 I, Gary Rubman, hereby declare as follows:

10 1. I am a partner at the law firm of Covington & Burling LLP, counsel to Big Fish  
11 Games, Inc. ("BFG"). I make this declaration based on my personal knowledge.

12 2. Attached as Exhibit A is a true and correct copy of a brochure published by the  
13 Washington State Gambling Commission, entitled *Online Social Gaming: When is it legal, What to*  
14 *Consider*. The brochure bears the mark "GC5-027 (3/14)" and my understanding is that it was  
15 published in 2014 and was available on the website of the Washington State Gambling Commission  
16 until recently.

17 3. Attached as Exhibit B is a true and correct copy of an excerpt of a report  
18 published by the Entertainment Software Association ("ESA"), entitled *Video Games in the 21st*  
19 *Century, The 2017 Report*. The full report is available on the ESA's website at  
20 [http://www.theesa.com/wp-content/uploads/2017/02/ESA\\_EconomicImpactReport\\_Design\\_V3.pdf](http://www.theesa.com/wp-content/uploads/2017/02/ESA_EconomicImpactReport_Design_V3.pdf) (last  
21 accessed July 3, 2018).

22  
23 I declare under the penalty of perjury under the laws of the United States that the  
24 foregoing is true and correct. This declaration is executed this 3rd day of July, 2018, in Washington,  
25 DC.

26  
27   
28 Gary Rubman

# **Exhibit A**



### Get the facts to know the way to go.

Warning signs you may be playing on, or operating, an illegal Social Gaming website in Washington State.

- There is no way to play for free.
- The prize can be sold or redeemed for "real" money.
- Players must:
  - Pay "real" money to play.
  - Give banking information to collect a prize.
  - Call to start play.
  - Disclose personal information, such as a credit card number, social security number, etc.



### Washington State Gambling Commission

#### Who We Are

- The Commission was created in 1973 to regulate and control authorized and illegal gambling activities (RCW 9.46).
- We are a law enforcement, regulatory and licensing agency.

#### What We Do

- We license and regulate all authorized gambling in the state, except for horse racing and the State Lottery.
- We investigate and control unauthorized and illegal gambling activities.

#### Our Mission

Protect the Public By Ensuring That Gambling is Legal and Honest.

Learn more about us at [wsqc.wa.gov](http://wsqc.wa.gov)

WAGambling



*This brochure gives general guidance.*

You should contact an attorney if you have questions or are unsure whether a game has the 3 elements of gambling.

You may also contact us at:

(360) 486-3463  
(800) 345-2529, ext. 3463  
FAX (360) 486-3631

E-mail: [AskUs@wsqc.wa.gov](mailto:AskUs@wsqc.wa.gov)

Mail: P. O. Box 42400, Olympia, WA 98504-2400

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GC3-027 (3/14)

# Online Social Gaming

When is it legal?  
What to Consider

Let's play a game



## What is Social Gaming?

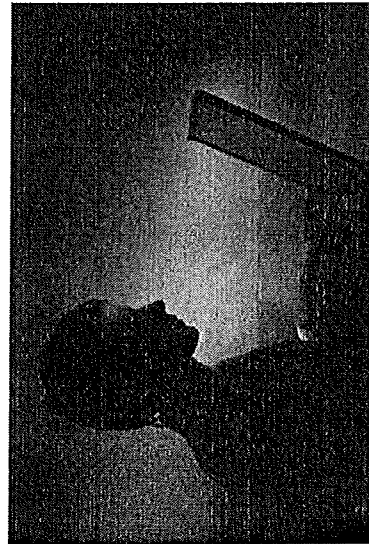
The Oxford dictionary defines **Social Gaming** as the activity or practice of playing an online game on a social media platform, with a major emphasis on friends and community involvement.

Social Gaming ranges from tending a farm to playing a soldier in combat. Ideas for new games are constantly thought up. Some popular social games involve:

- Role playing;
- Adventure;
- Arcade style games; and
- Casino style games.

Social Gaming is growing at an unprecedented rate and with it comes questions. This brochure gives general guidance to help you determine if you are playing on, or operating, a legal Social Gaming website in Washington State.

"Real" money = Legal tender. U.S. Currency.



## Is Social Gaming Legal in Washington?

Social Gaming is legal in Washington State if no gambling takes place.

### What is Gambling?

Gambling involves **3 elements**:

1. Prize;
2. Consideration (something of value, wager, fee to play); and
3. Chance.

**Legal:** If one of the **3 elements** of gambling is removed, the game is not gambling.

Things to keep in mind, to keep it legal:

- There must be a way to play for free.
- If "real" money can be used to enhance or extend play, there must be no prize.

**Illegal:** If a Social Game has the **3 elements** of gambling, it is illegal and cannot be played, or operated, in Washington State. It is illegal to solicit Washington residents to play illegal Social Games.

### Website's Rules of Play:

- If you are thinking about participating in a Social Game, read the website's Rules or Terms of Use to determine if one of the **3 elements** of gambling is removed.
- Website operators should clearly state in their Rules that virtual money, points, and other items cannot be sold or redeemed for "real" money or prizes.

Washington State law defines gambling as:

"staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome." (RCW 9.46.0237)



## No Prize = No Gambling = OK To Play

### Buying virtual money:

Many Social Gaming websites give free virtual money to begin play, with an option to buy more virtual money with "real" money to continue play. All play uses this virtual money.



Legal Social Gaming websites will not let players cash in their virtual winnings or points for "real" money or prizes.



Because there is no prize, these games are **not** gambling. However, if the

virtual money can be sold or redeemed for "real" money or a prize, the game is illegal.

### Buying virtual prizes, avatars & tools:

If a player spends "real" money for a virtual prize, avatar or tool to assist with game play and these items cannot be sold or redeemed for "real" money or a prize, it's **not** gambling.



For example, let's say a player uses "real" money to purchase a key to open a chest containing a rare item that the

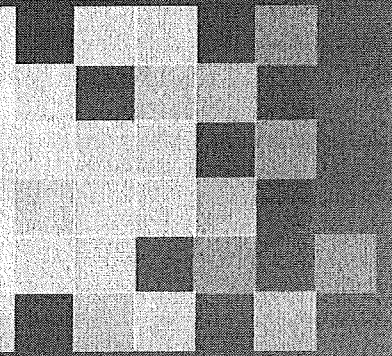
player's character can use to advance their position in the game.

Even though "real" money is used to buy a key to get a rare item, neither the key or rare item have any real-world value because they cannot be sold or redeemed for "real" money. Because there is no prize, it's **not** gambling.

## **Exhibit B**



entertainment  
software  
association



# VIDEO GAMES IN THE 21<sup>ST</sup> CENTURY

THE 2017 REPORT

BY STEPHEN E. SIWEK





# EXECUTIVE SUMMARY

*Video Games in the 21st Century: The 2017 Report* measures the economic contributions made by the U.S. entertainment software industry to the American economy. *The 2017 Report* updates and expands upon earlier studies that quantified the economic benefits provided by the entertainment software industry to the U.S. economy as a whole<sup>12</sup>. *The 2017 Report* concludes that:

- ◆ Total video game software sales exceeded **\$24.5 billion in 2016**.
- ◆ In 2015, there were **2,457 video game companies operating at 2,858 locations in all 50 states**.
- ◆ The total direct employment by the U.S. game industry now exceeds **65,000 employees**.
- ◆ The total employment that depends on the game software industry **now exceeds 220,000**.
- ◆ Between 2012 and 2014, the number of game company locations **grew at an annual rate of 14.1%**.
- ◆ Between 2013 and 2015, direct employment in the U.S. game company industry **grew at an annual rate of 2.9%**.
- ◆ In 2015, the average annual compensation per employee (wages, salaries and employer contributions for pensions, insurance and government social insurance) **was about \$97,000**.
- ◆ The U.S. game company industry's value added to U.S. GDP was more than **\$11.7 billion in 2015**.
- ◆ The real annual growth rate of the U.S. game software industry's **value added was 3.7%** for the period 2013-2015.

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<sup>1</sup> Siwek, Stephen E., *Video Games in the 21st Century: Economic Contributions of the U.S. Entertainment Software Industry*, Entertainment Software Association (2007).

<sup>2</sup> Siwek, Stephen E., *Video Games in the 21st Century: The 2010 Report*, Entertainment Software Association (2010).



# INTRODUCTION

The U.S. industry that develops and publishes video game software continues to create wholly new forms of entertainment for consumers worldwide. The industry also generates sales in the billions of dollars and creates thousands of American jobs.

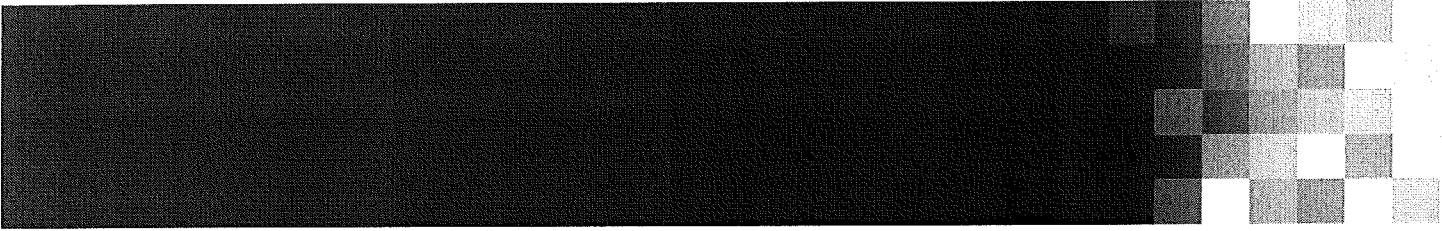
This publication, *Video Games in the 21st Century: The 2017 Report*, presents a number of statistical measures that quantify the economic contributions of the video game industry. This report is the third economic impact study prepared for the Entertainment Software Association (“ESA”), the trade association that represents the U.S. video game industry.<sup>3</sup> The basic methods used in this report were originally described in one or both of the previous ESA studies. In this study however, there is a significant change in the underlying data used to measure the economic impact of the video game industry. Unlike previous ESA studies, the source references used in this analysis were compiled directly from game company data bases and social media websites. While the basic structure of the economic impact study has not materially changed, the inclusion of data from the ESA Geographic Impact Report has had more dramatic effects on the overall estimates presented here. ESA obtained this information from multiple different data bases/websites, including Steam, Kickstarter, International Game Developers Association, Giant Bomb, and LinkedIn.

ESA’s reliance on multiple research sources is commendable. Since its origin, the video game industry has not been subject to extensive regulation of its companies or its employees. With less regulation, there have been fewer demands for the industry to gather and publish industry data and studies. For these reasons, neither the federal government nor the industry itself has invested in creating a comprehensive data base of video game companies. However, with the publication of the ESA’s Geographic Impact Report, that condition has changed.

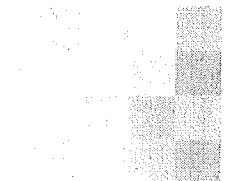
ESA’s Geographic Impact Report quantifies industry statistics on geographic volume, employment and growth. The study identifies 2,457 game companies that function at 2,858 locations. Approximately 80% of these companies were game developers while nearly 95% were founded in the United States. Significantly, video game companies are located in all 50 states.

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<sup>3</sup> The previous studies were: Siwek, Stephen E., *Video Games in the 21st Century: Economic Contributions of the U.S. Entertainment Software Industry*, Entertainment Software Association (2007) and Siwek, Stephen E., *Video Games in the 21st Century: The 2010 Report*, Entertainment Software Association.



In addition to the data collected by ESA, many of the statistical measures included in this report either were taken directly from U.S. government sources, such as the U.S. Census Bureau or Bureau of Economic Analysis, or were derived using public data from those sources. A basic difficulty that continues to arise when using U.S. government data is that many (but not all) of the most relevant statistics measure only aggregated industry groupings such as software publishing. Largely for this reason, certain estimates presented in this report were derived using statistical data for broader industry groupings than video game publishing. Subsequently, where possible, these broader measures were adjusted to better reflect the known characteristics of the video game industry.



### III. U.S. EMPLOYMENT IN GAME PUBLISHING AND DEVELOPMENT

Employees in the U.S. video game industry may work in small game developer shops or in large game publishing companies with thousands of employees. They may be employed as programmers, arts and animation specialists, game designers, game production experts, quality assurance personnel, audio specialists, legal staff members or business and marketing personnel. Developers may specialize in games for specific types of platforms including mobile, handheld and online media.

In the video game industry, online company data bases and social media sites are available to researchers seeking to access or create their own data compilations. In this analysis, ESA used a variety of such tools to compile its own data base of video game companies. Within that data base, ESA collected data that focused on industry companies and employment. ESA's video game statistics were also collected at the levels of U.S. states, congressional districts and Metropolitan Statistical Areas ("MSAs").

The video game data compiled in the ESA Geographic Impact Report proved to be an important resource for the measurement of video game contributions to the U.S. economy. Data on U.S.-based publisher and developer locations from ESA's Geographic Impact Report data bases were used to estimate the number of workers now employed in the industry.

As shown in Table C-1, in the United States, there are at least 2,332 game developer locations across all 50 states plus the District of Columbia. There are also 526 publisher locations across 44 states. In total, there are at least 2,858 game company locations.

TABLE C-1: U.S. GAME COMPANY DEVELOPERS AND PUBLISHERS

TYPE OF COMPANY	LOCATIONS	STATES
DEVELOPER	2,322	51
PUBLISHER*	526	44
ALL COMPANIES	2,858	51

\* Publishers also include Hardware/Software Manufacturers, Service Providers, and Distributors.

Source: ESA Mapping Project Data.

Table C-2 shows the number of workers employed by these companies. As reported in Table C-2, there are now at least 65,678 workers directly employed at game software publisher and developer locations in the United States.<sup>5</sup> Of this total, 28,556 workers are directly employed at game publishing companies while 37,122 people now work directly for U.S.-located game developer firms.

**TABLE C-2: U.S. GAME COMPANY DIRECT EMPLOYMENT  
BY TYPE OF COMPANY**

TYPE OF COMPANY	LOCATIONS	STATES
DEVELOPER	37,122	1,331
PUBLISHER**	28,556	351
ALL COMPANIES	65,678	1,682

\* 1,176 locations do not report employment data.

\*\* Publishers also include Hardware/Software Manufacturers, Service Providers, and Distributors.

Source: ESA Mapping Project Data.

The employee data shown in Table C-2 can also be disaggregated on a state-by-state basis. The total number of workers directly employed at game software publisher and developer firms in the industries' top seven states are shown in Table C-3. The states of California, Washington, Texas, New York, Illinois, Florida, and Massachusetts collectively employ 55,915 workers, or 85% of the total direct employment for the U.S. game software industry as a whole.

<sup>5</sup> Of the 2,858 game company locations included in the ESA data reported in Table C-1, 1,176 locations do not report employment data. This leaves 1,682 locations, as reported in Table C-2.

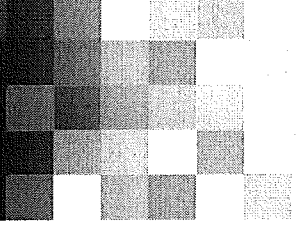
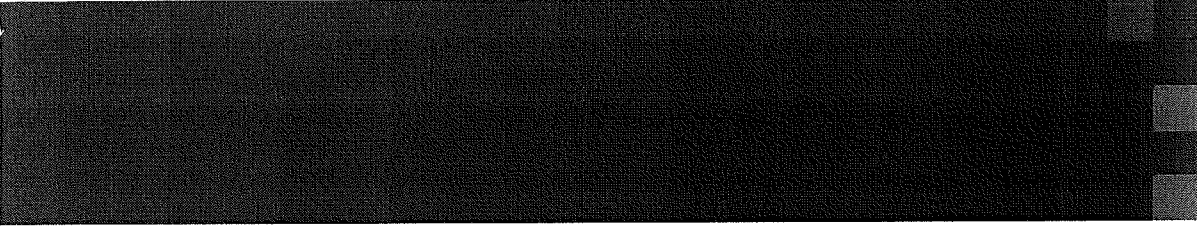
**TABLE C-3: U.S. GAME COMPANY EMPLOYMENT BY STATE  
TOP SEVEN STATES**

STATE	REPORTED EMPLOYMENT*	PERCENTAGE OF ALL EMPLOYEES
CALIFORNIA	35,325	54%
WASHINGTON	6,166	9%
TEXAS	4,883	7%
NEW YORK	4,675	7%
ILLINOIS	1,727	3%
FLORIDA	1,676	3%
MASSACHUSETTS	1,463	2%
TOP 7 STATES	55,915	85%
ALL OTHER STATES	9,763	15%
ALL STATES	65,678	100%

\*1,176 locations do not report employment data.

Source: ESA Mapping Project Data.

The employment figures presented in these tables refer to employees who work *directly* for entertainment software developers and publishers. However, any estimate of the number of workers who are directly employed in a given industry will not capture the full impact of that industry on the economy as a whole. The U.S. economy functions as an interlocking system where changes in supply and demand for one industry affect supply and demand in other industries as well.



The U.S. video game industry creates products that combine the skills of the industry's employees with other inputs of goods and services purchased from other industries. For example, a game developer may need to acquire a specific type of graphic design software from another firm in order to produce the game under development. Revenue from that purchase can be used to compensate employees at the firm that makes the graphic design software product. There would also be similar linkages to suppliers of the graphic design software firm and further linkages to those suppliers and on through the economy.

The U.S. government has developed a widely accepted mathematical model, known as the Regional Input-Output Modeling System ("RIMS II") that uses input-output relationships throughout the economy to capture these interlocking affects. The input-output relationships are industry specific and take the form of "multipliers." In this analysis, employment multipliers for the software publishing industry were obtained from the U.S. Bureau of Economic Analysis ("BEA") for all states where game software publishing employment had been located. These multipliers were applied to the direct game industry employee counts on a state-by-state basis. The weighted average multiplier across all states was 3.355. As shown in Table C-4, in 2015 the total direct and indirect employment for the U.S. video game industry as a whole was 220,332 people. 190,706 of these people were located in the top seven states shown in Table C-4, including 123,408 employees in California alone.

**TABLE C-4: U.S. GAME COMPANY DIRECT AND INDIRECT EMPLOYMENT BY STATE**

<b>STATE</b>	<b>REPORTED DEVELOPER EMPLOYMENT</b>	<b>REPORTED PUBLISHER EMPLOYMENT**</b>	<b>REPORTED DIRECT EMPLOYMENT*</b>	<b>DIRECT + INDIRECT EMPLOYMENT</b>
CALIFORNIA	16,719	18,606	35,325	123,408
WASHINGTON	3,960	2,206	6,166	19,815
TEXAS	4,159	724	4,883	17,867
NEW YORK	1,916	2,759	4,675	13,522
ILLINOIS	1,547	180	1,727	5,917
FLORIDA	646	1,030	1,676	5,607
MASSACHUSETTS	1,270	193	1,463	4,570
TOP 7 STATES	30,217	25,698	55,915	190,706
ALL OTHER STATES	6,905	2,858	9,763	29,626
ALL STATES	37,122	28,556	65,678	220,332

\* 1,176 locations do not report employment data.

\*\* Publishers also include Hardware/Software Manufacturers, Service Providers, and Distributors.

Source: ESA Mapping Project Data.



1 **BEFORE THE WASHINGTON STATE GAMBLING COMMISSION**

2  
3 In the Matter of the Petition of Big Fish Games,  
4 Inc. for a Declaratory Order

Matter No.:

5 **DECLARATION OF ANDY VELLA IN**  
6 **SUPPORT OF BIG FISH GAMES, INC.'S**  
7 **PETITION FOR A DECLARATORY**  
8 **ORDER**

9 I, Andy Vella, hereby declare as follows:

10 1. I am a Vice President and General Manager at Big Fish Games, Inc. ("BFG").

11 My responsibilities as General Manager include running all business and development operations for the  
12 video game Big Fish Casino ("BFC"). Prior to BFG, I worked as a Lead Engineer at Self Aware Games,  
13 the studio that created the suite of online video games that today make up BFC. For the past 6 years, my  
14 work has been dedicated to developing and enhancing BFC. I have extensive knowledge about BFC's  
15 engineering and operations, and I am deeply familiar with gameplay protocols and player user data. I  
16 make this declaration based on my personal knowledge and review of business records maintained in the  
17 ordinary course of my employment at BFG.

18 2. BFC contains a suite of online video games that are casino-themed including, for  
19 example, virtual blackjack, poker, and roulette.

20 3. Players use virtual tokens to play BFC, which are termed "chips" per the casino  
21 theme. Players may accumulate virtual chips in various ways. All new players currently receive  
22 100,000 virtual chips automatically when they install BFC for free and create a username. Since at least  
23 2013, additional virtual chips are distributed automatically to players at various times within the games.  
24 For example, players can obtain additional virtual chips through playing the game. Players receive  
25 additional virtual chips automatically on any day that they sign in to play. They receive additional  
26 virtual chips after they are logged into BFC for certain periods of time (e.g., 30 minutes) and click or  
27 press to collect more virtual chips automatically. Players also receive additional virtual chips when their  
28

1 Facebook friends install BFC, or, as of 2017, by joining a social club within BFC. Players may also  
2 purchase additional virtual chips.

3 4. Players cannot, and have never been able to, exchange or cash out BFC virtual  
4 chips for money, and the virtual chips have no value in the real world. Virtual chips can be used only  
5 within the games, such as to play the games or to obtain a virtual pet, cupcake, flag, or other virtual  
6 item.

7 5. Attached as Exhibit A is a true and correct copy of the Terms of Use that  
8 currently govern the use of BFC, dated November 30, 2017. The Terms of Use expressly forbid any  
9 transfer or sale of virtual items, including virtual chips, "for commercial gain."

10 6. BFC does not provide any mechanism for players to sell virtual chips to each  
11 other. Since at least 2013, BFC allows a player to "gift" virtual chips to another player within the game  
12 through the use of virtual "gold bars" that are obtained through play or purchased within the games.  
13 Neither the gifting player nor BFG receives any financial compensation when virtual chips are gifted.

14 7. BFG is headquartered in Seattle, Washington. More than 865,000 installations of  
15 BFC have come from an IP address geo-located in the State of Washington, and there have been more  
16 than 100,000 such installations in the past twelve months.

17  
18 I declare under the penalty of perjury under the laws of the United States that the  
19 foregoing is true and correct. This declaration is executed this 3rd day of July, 2018, in Oakland,  
20 California.

21  
22  
23   
24 Andy Vella  
25  
26  
27  
28

# **EXHIBIT A**

# Big Fish Terms of Use

Last modified: November 30, 2017

## AGREEMENT AND SERVICES

PLEASE READ THESE TERMS OF USE CAREFULLY, INCLUDING THE MANDATORY ARBITRATION PROVISION IN THE SECTION TITLED "DISPUTE RESOLUTION BY BINDING ARBITRATION," WHICH REQUIRES THAT DISPUTES ARE RESOLVED BY FINAL AND BINDING ARBITRATION ON AN INDIVIDUAL AND NOT A CLASS-WIDE OR CONSOLIDATED BASIS. IF YOU DO NOT WISH TO BE SUBJECT TO ARBITRATION, YOU MAY OPT OUT OF THE ARBITRATION PROVISION BY FOLLOWING THE INSTRUCTIONS PROVIDED AT THE END OF THE SECTION TITLED "DISPUTE RESOLUTION BY BINDING ARBITRATION."

BY ACCESSING OR USING ANY BIG FISH OFFERING, YOU AGREE TO BE BOUND BY THESE TERMS OF USE AND ALL TERMS INCORPORATED BY REFERENCE. IF YOU DO NOT AGREE TO THESE TERMS OF USE IN THEIR ENTIRETY, DO NOT USE ANY BIG FISH OFFERINGS.

Big Fish Games, Inc. and/or its Affiliates provide access to the Big Fish Offerings subject to the conditions set forth in these Terms of Use. For purposes of these Terms of Use, the term "**Affiliates**" means, with respect to any party, any person or entity which controls, is controlled by, or is under common control with, such party, and the term "**Big Fish Offerings**" means the web sites of Big Fish, including [www.bigfishgames.com](http://www.bigfishgames.com), any other sites on which these Terms of Use are posted, and any other Big Fish application, service or product licensed, downloaded or otherwise accessed by you through third party sites or sources, including the products and services available through any of the foregoing.

THESE TERMS OF USE ARE ENTERED INTO BETWEEN YOU AND BIG FISH GAMES, INC. THE TERM "**BIG FISH**" MEANS BIG FISH GAMES, INC. ALONG WITH ITS AFFILIATES. Your use of the Big Fish Offerings constitutes your express acceptance without reservation of these Terms of Use.

Use of the Big Fish Offerings is also governed by our [Privacy Policy](#) and any other terms of use applicable to services you register to use within a Big Fish Offering, including any amendments or updates thereto.

Use of the Big Fish Software, as hereafter defined, is governed by the [Big Fish Games, Inc. End User license](#).

Without limiting the foregoing, each of your Big Fish Offering account(s) (each a "Big Fish account"), if applicable, and participation in any Big Fish Offerings are governed by these Terms of Use. The Big Fish Offerings are always evolving, so it is important that you periodically check these Terms of Use, as well as the specific rules for any games or activities in which you

choose to participate, for updates. Big Fish reserves the right to change or modify these Terms of Use at any time and in our sole discretion. If Big Fish makes changes to these Terms of Use, we will provide notice of such changes, such as (by way of example only) by providing notice through the Big Fish Offerings or updating the "Last Modified" date at the top of these Terms of Use. If we revise these Terms of Use, such revision(s) will take effect immediately such notice. Your continued access or use of any Big Fish Offering constitutes your acceptance of the revised Terms of Use. We encourage you to frequently review these Terms of Use to ensure that you understand the terms and conditions that apply to your use of the Big Fish Offerings. If you do not agree to any of these Terms of Use, you should discontinue using or participating in any and all Big Fish Offerings. If there is a conflict between these Terms of Use and any other rules or instructions posted within a Big Fish Offering, these Terms of Use will control.

## **ACCOUNT REGISTRATION**

If you create a Big Fish account within any Big Fish Offering, you must provide truthful and accurate information to us in creating such account. If Big Fish has reasonable grounds to suspect that you have provided any information that is inaccurate, not current or incomplete, Big Fish may suspend or terminate your ability to use or access a Big Fish Offering, and refuse any and all current or future use of or access to any or all Big Fish Offerings (or any portion thereof).

Big Fish requires all users to be over the age of thirteen (13). If you are between the ages of thirteen (13) and eighteen (18), you may create a Big Fish account or use the Big Fish Offerings only under the supervision of a parent or legal guardian who agrees to be bound by these Terms of Use.

Big Fish reserves the right to limit the number of accounts a user can establish. This limit may change over time in our sole discretion.

You are solely responsible for all activity on any and all of your Big Fish account(s) and for the security of your computer system. You should not reveal your username or password to any other person. Big Fish will not ask you to reveal your password. If you forget your password, you can request to have a new password sent to your registered e-mail address. You agree to indemnify and hold Big Fish and their respective employees, contractors, officers, directors, shareholders, agents, representatives, vendors, and content providers harmless for any improper or illegal use of any of your Big Fish account(s). This includes illegal or improper use by someone to whom you have given permission to use your Big Fish account(s) or whom you have negligently allowed to access your Big Fish account(s). Big Fish reserves the right to terminate your Big Fish account(s) if any activity that occurs with respect to such account(s) violates these Terms of Use.

## **ELECTRONIC COMMUNICATIONS**

When you access a Big Fish Offering, send e-mails or electronically chat with Big Fish, you are communicating with us electronically. You consent to receive communications from us electronically. We will communicate with you by e-mail or by posting notices in the Big Fish

Offerings. You agree that all agreements, notices, disclosures and other communications that Big Fish provides to you electronically satisfy any legal requirement that such communications be in writing.

## **VIRTUAL ITEMS**

Certain Big Fish Offerings may provide you with the opportunity to license a variety of virtual items such as virtual currency, virtual goods, additional levels and content packs ("virtual items") that can be used while playing the Big Fish Offering. You may be required to pay a fee to obtain virtual items. When you use virtual items within a Big Fish Offering, any virtual items that you have purchased will be deemed used before any virtual items that you have earned.

You have no property interest in any virtual items. Any purchase of virtual items, and virtual items accumulated through any applicable Big Fish Offering membership benefits, are purchases of a limited, non-transferable, revocable license to use those virtual items within the applicable Big Fish Offering. Virtual items may not be transferred or resold for commercial gain in any manner, including, without limitation, by means of any direct sale or auction service. Virtual Items may not be purchased or sold from any individual or other company via cash, barter or any other transaction. Virtual items have no monetary value, and cannot be used to purchase or use products or services other than within the applicable Big Fish Offering. Virtual items cannot be refunded or exchanged for cash or any other tangible value.

Big Fish may manage, regulate, control, modify or eliminate your virtual items in our sole discretion, and Big Fish will have no liability to you or anyone for exercising those rights. In addition, all virtual items are unconditionally forfeited if your Big Fish Offering account is terminated or suspended for any reason, in Big Fish's sole discretion, or if Big Fish discontinues any Big Fish Offering or any portion or feature of any Big Fish Offering.

Big Fish has no liability for hacking or loss of your virtual items. Big Fish has no obligation to, and will not, reimburse you for any virtual items lost due to your violation of these Terms of Use. Big Fish reserves the right, without prior notification, to limit the order quantity on any virtual items and/or to refuse to provide you with any virtual items. Price and availability of virtual items are subject to change without notice.

## **SOCIAL NETWORK SITES**

If you access a Big Fish Offering via a third party social networking site (a "**Social Game**"), you should be aware that Social Games are only available to individuals who have registered with the social networking site through which s/he accesses Social Games. You agree that your social networking site account information is accurate, current and complete.

If Big Fish has reasonable grounds to suspect that you have provided any information that is inaccurate, not current or incomplete, Big Fish may suspend or terminate your ability to use or access Social Games and refuse any and all current or future use of or access to Social Games (or any portion thereof).

# REVIEWS, COMMUNICATIONS AND SUBMISSIONS

## Generally

Without limiting the scope of these Terms of Use, you agree to comply with our [Forum FAQ](#) and [Review Guidelines](#) when you submit reviews, forum posts and other content via any Big Fish Offering. Inappropriate, obscene, defamatory, offensive language, crude or explicit sexual content, discussions of any matters which are explicitly or by inference illegal in any way, discussions of illegal or any other drugs, and racially and ethnically offensive speech are examples of unsuitable content that are not permitted within the Big Fish Offerings. Content standards may vary depending on where you are within a Big Fish Offering and the expectations of the relevant game community. Some game play may involve use of stronger language than others, including mild expletives. You should always use your best and most respectful and conservative judgment in interacting as part of any game play, and submitting any content, such as a review or post to any forums or message boards, within a Big Fish Offering.

We expressly reserve the right, but have no obligation, to: (a) monitor any communications within the Big Fish Offerings, including, without limitation, to ensure that appropriate standards of online conduct are being observed, and (b) immediately or at any time remove any content that we deem objectionable or unsuitable in our sole discretion. Big Fish does not endorse, approve, or prescreen any content that you or other users post or communicate on or through any Big Fish Offerings. Big Fish does not assume any responsibility or liability for any content that is generated, posted or communicated by any user on or through the Big Fish Offerings. You agree to indemnify Big Fish and each of their respective employees, contractors, officers, directors, shareholders, agents, representatives, vendors, and content providers from any liability or damages arising out of or resulting from any content you post or communicate on or through the Big Fish Offerings.

Without limiting the generality of these policies and standards, the following actions are examples of behavior that violate these Terms of Use and may result in any or all of your Big Fish account(s) being immediately suspended or terminated:

- Posting, transmitting, promoting, or distributing any content that is illegal
- Harassing or threatening any other user of a Big Fish Offering or any employee or contractor of Big Fish
- Impersonating another person, indicating that you are a Big Fish employee or a representative of Big Fish (if you are not), or attempting to mislead users by indicating that you represent Big Fish in any way
- Attempting to obtain a password, other account information, or other private information from any other user of a Big Fish Offering
- Uploading any software, files, photos, images or any other content to a Big Fish Offering that you do not own or have the legal right to freely distribute, or that contain a virus or corrupted data, or any other malicious or invasive code or program
- Posting messages for any purpose other than personal communication, including without limitation advertising, promotional materials, chain letters, pyramid schemes, political

campaigning, soliciting funds, mass mailings and sending "spam", or making any commercial use of any Big Fish Offering.

- Disrupting the normal flow of dialogue, or otherwise acting in a manner that negatively affects or disrupts other users.
- Improperly using any game support functions or complaint buttons, or making false complaints or other reports to Big Fish representatives.
- Posting or communicating any player's real-world personal information within a Big Fish Offering or by or through a Big Fish Offering or any related bulletin board.
- Uploading or transmitting, or attempting to upload or transmit, any material that acts as a passive or active information collection or transmission mechanism, including, without limitation, gifs, 1x1 pixels, web bugs, and other similar devices.
- Using or launching any automated system, including, without limitation, any spider, bot, cheat utility, scraper or offline reader that accesses a Big Fish Offering, or using or launching any unauthorized script or other software.
- Using a false e-mail address or otherwise disguising the source of any content that you submit within a Big Fish Offering, or using tools which anonymize your internet protocol address.
- Interfering or circumventing any Big Fish Offering security feature or any feature that restricts or enforces limitations on use of or access to a Big Fish Offering.
- Attempting to sell any part of a Big Fish Offering, including, without limitation, any virtual items (if applicable), Big Fish accounts and access to them in exchange for real currency or items of monetary or other value.
- Engaging in cheating or any other activity that Big Fish deems to be in conflict with the spirit of a Big Fish Offering.

### **Public Nature of Communications**

You acknowledge and agree that your submitted content, including your reviews and your communications with other users via online messaging, private messaging, forums or bulletin boards, and any other similar types of communications and submissions on or through any Big Fish Offering, are non-confidential, public communications, and you have no expectation of privacy concerning your use of or participation in any Big Fish Offerings (other than with respect to the information you provide to us in establishing your Big Fish account(s), if applicable). You acknowledge that personal information that you communicate publicly within any Big Fish Offering may be seen and used by others and may result in unsolicited communications. Big Fish is not liable for any information that you choose to submit or communicate to other users on or through any Big Fish Offerings, or for the actions of any other users of any Big Fish Offering.

You represent and warrant that you have all necessary rights in and to any materials that you post within any Big Fish Offering, that such materials do not infringe any proprietary or other rights of third parties, that all such content is accurate and will not cause injury to any person or entity, and that you will indemnify Big Fish and their respective employees, contractors, officers, directors, shareholders, agents, representatives, vendors, and content providers for all claims resulting from your submitted and posted content. If any such materials incorporate the name, voice, likeness and/or image of any individual, you represent and warrant that you have the right



to grant Big Fish permission to use any such name, voice, likeness and/or image of such individual appearing in the materials you post throughout the world in perpetuity. Once you post or communicate any content or materials on or through a Big Fish Offering, you expressly grant Big Fish the complete, worldwide, fully sublicensable and irrevocable right to quote, re-post, use, reproduce, modify, adapt, publish, translate, create derivative works from, display, distribute, transmit, and broadcast such content or materials, including without limitation the name you submit in connection with such content or materials, in any form, with or without attribution to you, and without any notice or compensation to you of any kind. We reserve the right to immediately remove any content that may be considered, in our sole discretion, in violation of the rights of any third party.

### **Commercial Activity and Unsolicited E-mail**

You may not use any portion of the Big Fish Offerings to collect information, including login names, about other users, and use of such information to send unsolicited e-mail or for any other purpose is strictly prohibited. You may not advertise any goods or services on any Big Fish Offerings, or otherwise exploit your participation on or through any Big Fish Offerings for any commercial purpose.

### **Customer Reviews**

You may submit reviews of certain Big Fish Offerings. Use of the reviews feature is for your personal, non-commercial use and is at your own option and risk, and you must comply with the policies set forth in these Terms of Use and the [Review Guidelines](#).

When you post a review, we will display your rating of the Big Fish Offering, along with your user name and certain other information you may provide, such as your city and state location, skill level, favorite game and favorite genres. By submitting a review, you are consenting to the release of all information that you provide in that review to a public forum. If you do not want any such information to be shared in a public forum, do not use the review feature.

### **BIG FISH SOFTWARE**

We may require that you download certain software from Big Fish, its principals or its licensors onto your computer ("**Big Fish Software**"). Subject to your compliance with these Terms of Use, Big Fish grants to you a non-exclusive, non-transferable, non-sublicensable, revocable, limited license to use the Big Fish Software to participate in the Big Fish Offerings. The Big Fish Software is for your personal use, and may not be reproduced, duplicated, copied, resold, sublicensed, or otherwise used in whole or in part by you for commercial purposes. You may not modify, translate, reverse-engineer, reverse-compile or decompile, disassemble or create derivative works from any of the Big Fish Software.

NEITHER BIG FISH GAMES, INC. NOR ITS LICENSORS IS LIABLE FOR ANY DAMAGES IN CONNECTION WITH YOUR USE OF ANY BIG FISH SOFTWARE (INCLUDING LIABILITY FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES OR DAMAGE TO YOUR COMPUTER HARDWARE OR SOFTWARE), AND THE ENTIRE

RISK OF USE, INCLUDING, WITHOUT LIMITATION, ANY DAMAGE TO YOUR COMPUTER HARDWARE OR SOFTWARE, RESULTING FROM ANY USE OF THE BIG FISH SOFTWARE, RESIDES WITH YOU.

## **THIRD PARTY LINKS and THIRD PARTY CONTENT AND SERVICES**

Any and all software, content and services (including advertising) within a Big Fish Offering that are not owned by Big Fish are "**third party content and services.**" Big Fish acts merely as an intermediary service provider of, and accepts no responsibility or liability for, third party content and services. In addition and without limiting the generality of the foregoing, certain Big Fish Offerings may include links to sites operated by third parties, including advertisers and other content providers. Those sites may collect data or solicit personal information from you. Big Fish does not control such sites, and is not responsible for their content, policies, or collection, use or disclosure of any information those sites may collect.

## **VIOLATION OF THESE TERMS OF USE**

If you violate our Terms of Use, Big Fish reserves the right, in its sole discretion, to immediately terminate your participation in any or all Big Fish Offerings, including any and all Big Fish accounts you have established. You acknowledge that Big Fish is not required to notify you prior to terminating any such account.

## **TERMINATION OF ANY BIG FISH ACCOUNT**

Big Fish and you each have the right to terminate or cancel any of your Big Fish account(s), if applicable, at any time for any reason. You understand and agree that cancellation of your Big Fish account(s) and/or ceasing use of any and all Big Fish Offerings are your sole right and remedy with respect to any dispute with Big Fish. This includes, but is not limited to, any dispute arising out of or directly or indirectly related to: (a) any provision contained in these Terms of Use or any other agreement between you and Big Fish, including, without limitation, the Privacy Policy, or Big Fish's enforcement or application of these Terms of Use or any other such agreement, including, without limitation, the Privacy Policy, (b) the content available on or through the Big Fish Offerings, or any change in or to such content, (c) your ability to access and/or use any Big Fish Offerings, or (d) the amount or type of any fees, surcharges, applicable taxes, billing methods, or any change to the fees, applicable taxes, surcharges or billing methods, in each case imposed or implemented by Big Fish on or through any Big Fish Offering.

Big Fish reserves the right to collect fees, surcharges or costs incurred before you cancel your Big Fish account(s) or a particular subscription. In the event that your Big Fish account or a particular subscription is terminated or cancelled, no refund will be granted, no online time or other credits (e.g., points in an online game) will be credited to you or converted to cash or other form of reimbursement, and you will have no further access to your account or anything associated with it (such as points, tokens or in-game items). Any delinquent or unpaid accounts

must be settled before Big Fish may allow you to create any new or additional accounts. All virtual items are unconditionally forfeited if your Big Fish account is terminated or suspended for any reason, in Big Fish's sole discretion, or if Big Fish discontinues any Big Fish Offering that includes virtual items.

Without limiting the foregoing provisions, if you violate these Terms of Use, Big Fish may issue you a warning regarding the violation, or, in Big Fish's sole discretion, immediately terminate any and all Big Fish accounts that you have established with any Big Fish Offering, with or without notice.

## **INTELLECTUAL PROPERTY RIGHTS**

The names and logos, and other graphics, logos, icons, and service names associated with the Big Fish Offerings are trademarks, registered trademarks or trade dress of Big Fish or its licensors or principals in the United States and/or other countries. Big Fish's trademarks and trade dress may not be used in connection with any product or service that is not owned or operated by or on behalf of Big Fish, or in any manner that is likely to cause confusion among consumers or that disparages or discredits Big Fish or any Big Fish Offering. The compilation of all content on the Big Fish Offerings is the exclusive property of Big Fish and is protected by United States and international copyright laws. You may not use, copy, transmit, modify, distribute, or create any derivative works from any content from the Big Fish Offerings unless we have expressly authorized you to do so in writing. All other trademarks not owned by Big Fish that appear on the Big Fish Offerings are the property of their respective owners, who may or may not be affiliated with or connected to Big Fish. If you fail to adhere to these Terms of Use, other content owners may take criminal or civil action against you. In the event legal action is taken against you for your acts and/or omissions with regard to any content on the Big Fish Offerings, you agree to indemnify and hold harmless Big Fish and its employees, contractors, officers, directors, shareholders, agents, representatives, vendors, and content providers.

## **LIMITATIONS ON WARRANTIES AND LIABILITY**

YOU EXPRESSLY AGREE THAT THE USE OF ANY BIG FISH OFFERING, BIG FISH SOFTWARE AND THE INTERNET IS AT YOUR SOLE RISK. ALL BIG FISH OFFERINGS AND BIG FISH SOFTWARE ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS FOR YOUR USE, WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, UNLESS SUCH WARRANTIES ARE LEGALLY INCAPABLE OF EXCLUSION. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BIG FISH DOES NOT GUARANTEE THAT YOU WILL BE ABLE TO ACCESS OR USE THE BIG FISH OFFERINGS OR BIG FISH SOFTWARE AT ANY PARTICULAR TIMES OR LOCATIONS, OR THAT THE BIG FISH OFFERINGS, BIG FISH SOFTWARE, NEWSLETTERS, E-MAILS OR OTHER COMMUNICATIONS SENT FROM BIG FISH ARE FREE FROM VIRUSES OR OTHER HARMFUL COMPONENTS.

YOU ACKNOWLEDGE AND AGREE THAT YOUR SOLE AND EXCLUSIVE REMEDY FOR ANY DISPUTE WITH BIG FISH IS TO STOP USING THE BIG FISH OFFERINGS AND BIG FISH SOFTWARE, AND TO CANCEL ANY AND ALL OF YOUR BIG FISH ACCOUNTS, IF APPLICABLE. YOU ACKNOWLEDGE AND AGREE THAT BIG FISH IS NOT LIABLE FOR ANY ACT OR FAILURE TO ACT ON ITS OWN PART, OR FOR ANY CONDUCT OF, OR COMMUNICATION OR CONTENT POSTED WITHIN A BIG FISH OFFERING BY, ANY BIG FISH OFFERING USER. IN NO EVENT SHALL BIG FISH'S OR ITS EMPLOYEES', CONTRACTORS', OFFICERS', DIRECTORS' OR SHAREHOLDERS' LIABILITY TO YOU EXCEED THE AMOUNT THAT YOU PAID TO BIG FISH FOR YOUR PARTICIPATION IN ANY BIG FISH OFFERING. IN NO CASE SHALL BIG FISH OR ITS EMPLOYEES, CONTRACTORS, OFFICERS, DIRECTORS OR SHAREHOLDERS BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM YOUR USE OF ANY BIG FISH OFFERING OR BIG FISH SOFTWARE. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR THE LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, IN SUCH STATES OR JURISDICTIONS, SUCH LIABILITY SHALL BE LIMITED TO THE FULL EXTENT PERMITTED BY LAW.

YOU FURTHER SPECIFICALLY ACKNOWLEDGE THAT BIG FISH IS NOT LIABLE, AND YOU AGREE NOT TO SEEK TO HOLD BIG FISH LIABLE, FOR THE CONDUCT OF THIRD PARTIES, INCLUDING OTHER USERS OF BIG FISH OFFERINGS AND OPERATORS OF SOCIAL NETWORKING AND OTHER EXTERNAL SITES, AND THAT THE RISK OF USING OR ACCESSING BIG FISH OFFERINGS AND BIG FISH SOFTWARE, SOCIAL NETWORKING SITES AND OTHER EXTERNAL SITES, AND OF INJURY FROM THE FOREGOING, RESTS ENTIRELY WITH YOU.

## **INDEMNIFICATION**

You agree to defend, indemnify and hold harmless Big Fish and their respective employees, contractors, officers, directors, shareholders, agents, representatives, vendors, and content providers from and against any and all liabilities, claims and expenses, including attorneys' fees, that arise from a breach of these Terms of Use for which you are responsible or in connection with your transmission of any content to, on or through any Big Fish Offering. Without limiting your indemnification obligations described herein, Big Fish reserves the right, at its own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification by you.

## **IMPORT TAXES AND FEES**

When you buy physical goods (e.g. CD-ROM) through any Big Fish Offering for delivery outside the United States, you are considered an importer and, as between you and Big Fish, you will be responsible for payment of all taxes, duties, fees or other charges that may be applicable to such importation, including VAT, and you must comply with all laws and regulations of the country in which you are receiving the goods. Your privacy is important to us and we know that you care about how information about your order is used and shared. We would like our

international customers and customers dispatching products internationally to be aware that cross-border deliveries are subject to opening and inspection by customs authorities.

## **EXPORT CONTROL LAWS**

Certain Big Fish Offerings may be subject to United States and international export controls. By accessing Big Fish Offerings, you warrant that you are not located in any country, or exporting any Big Fish Offerings, to any person or place to which the United States, European Union or any other jurisdiction has embargoed goods. You agree to abide by all applicable export control laws and further agree not to transfer or upload, by any means electronic or otherwise, any Big Fish Offerings that may be subject to restrictions under such laws to a national destination prohibited by such laws without obtaining and complying with any required governmental authorizations.

## **OTHER LEGAL TERMS**

You agree that these Terms of Use are not intended to confer and do not confer any rights or remedies upon any third party. If any part of these Terms of Use are held invalid or unenforceable, that portion shall be construed in a manner consistent with applicable law to reflect, as nearly as possible, the original intentions of the parties, and the remaining portions shall remain in full force and effect. If any provision of these Terms of Use is found to be illegal or unenforceable, these Terms of Use will be deemed modified to the extent necessary to make them legal and enforceable, and will remain, as modified, in full force and effect. These Terms of Use, including all terms and policies referenced herein, contain the entire understanding, and supersede all prior agreements, between you and Big Fish relating to this subject matter, and cannot be changed or terminated orally.

## **PRIVACY**

Big Fish respects the privacy of Big Fish Offerings users. Please review our [Privacy Policy](#), which also governs your access to and use of the Big Fish Offerings, to understand our policies and practices with respect your personal information.

## **APPLICABLE LAW, JURISDICTION, AND VENUE**

These Terms of Use and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Washington, exclusive of conflict or choice of law rules.

The parties acknowledge that these Terms of Use evidence a transaction involving interstate commerce. Notwithstanding the provision in the preceding paragraph with respect to applicable substantive law, any arbitration conducted under these Terms of Use shall be governed by the Federal Arbitration Act (9 U.S.C., §§ 1-16).

You and Big Fish irrevocably consent to the exclusive jurisdiction and venue of the state or federal courts located in King County, Washington, for all disputes arising out of or relating to these Terms of Use, the subject matter of these Terms of Use, or your access to and use of any Big Fish Offering, that are heard in court (not arbitration).

## **DISPUTE RESOLUTION BY BINDING ARBITRATION**

**PLEASE READ THIS "DISPUTE RESOLUTION BY BINDING ARBITRATION" PROVISION CAREFULLY, BECAUSE IT REQUIRES YOU TO ARBITRATE DISPUTES WITH BIG FISH AND IT LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF.**

THIS PROVISION PRECLUDES YOU FROM BRINGING ANY CLASS, COLLECTIVE, OR REPRESENTATIVE ACTION AGAINST BIG FISH. IT ALSO PRECLUDES YOU FROM PARTICIPATING IN OR RECOVERING RELIEF UNDER ANY CURRENT OR FUTURE CLASS, COLLECTIVE, OR REPRESENTATIVE ACTION AGAINST BIG FISH BY SOMEONE ELSE. IN ADDITION, ARBITRATION PRECLUDES YOU FROM SUING IN COURT OR FROM HAVING A JURY TRIAL.

WHETHER TO AGREE TO ARBITRATION IS AN IMPORTANT DECISION. IT IS YOUR DECISION TO MAKE AND YOU SHOULD NOT RELY SOLELY ON THE INFORMATION PROVIDED IN THIS AGREEMENT, AS IT IS NOT INTENDED TO CONTAIN A COMPLETE EXPLANATION OF THE CONSEQUENCES OF ARBITRATION. YOU SHOULD TAKE REASONABLE STEPS TO CONDUCT FURTHER RESEARCH AND TO CONSULT WITH OTHERS REGARDING THE CONSEQUENCES OF YOUR DECISION. YOU MAY OPT OUT OF THIS ARBITRATION PROVISION BY FOLLOWING THE INSTRUCTIONS BELOW.

**Scope of Arbitration Provision.** You and Big Fish agree that any dispute, claim or controversy arising out of or relating to your access to or use of any Big Fish Offering or to these Terms of Use (including without limitation any dispute concerning the breach, enforcement, construction, validity, interpretation, enforceability, or arbitrability of these Terms of Use) (a "**Dispute**"), shall be determined by arbitration, except that you and Big Fish are NOT required to arbitrate any Dispute in which either party seeks equitable and other relief for the alleged unlawful use of copyrights, trademarks, trade names, logos, trade secrets, or patents.

**Location of Arbitration and Applicable Rules.** You and Big Fish agree that such arbitration shall occur in King County, Washington. You may request to appear in such proceedings telephonically. You and Big Fish agree that such arbitration shall be conducted by a single arbitrator in accordance with the rules of the Judicial Arbitration and Mediation Service ("JAMS"), as modified by these Terms of Use.

**Authority of Arbitrator.** With the exception of class procedures and remedies as discussed below under "Waiver of Class Relief," the arbitrator shall have the authority to grant any remedy that would otherwise be available in court.

**Confidentiality.** You and Big Fish shall maintain the confidential nature of the arbitration proceedings and the arbitration award, including the arbitration hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision

**Allocation of Arbitration Fees.** If you assert a Dispute as a consumer, you will only be required to pay arbitration fees of \$250 of the fees charged by JAMS in connection with any arbitration under this section, and Big Fish will bear all other costs charged by JAMS or the arbitrator, including any remaining JAMS Case Management Fee and all professional fees for the arbitrator's services. You will still be responsible for paying your own attorneys' fees.

**WAIVER OF CLASS RELIEF.** WHETHER THE DISPUTE IS HEARD IN ARBITRATION OR IN COURT, YOU AGREE THAT YOU AND BIG FISH WILL NOT COMMENCE AGAINST THE OTHER A CLASS ACTION, CLASS ARBITRATION OR OTHER REPRESENTATIVE ACTION OR PROCEEDING. YOU AND BIG FISH ARE EACH WAIVING RESPECTIVE RIGHTS TO A TRIAL BY JURY OR TO PARTICIPATE IN A CLASS ACTION.

**Procedure to Opt Out of Arbitration Provision.** You may opt out of this arbitration provision only by written Notice via U.S. Mail, or by any nationally recognized delivery service (e.g., UPS, Federal Express, etc.) to Big Fish, Attn: Legal Department, at 333 Elliott Avenue West, Suite 200, Seattle, WA, 98119. **You must send such Notice within thirty (30) days of your acceptance of these Terms of Use.** You must sign and date the Notice, and include in it your name, address, and a clear statement that you do not wish to resolve disputes with Big Fish through arbitration. If you do not follow this procedure by your thirty (30) day deadline to do so, then you and Big Fish shall both be bound by the terms of this section entitled Dispute Resolution by Binding Arbitration.

If any portion of this section entitled "Dispute Resolution by Binding Arbitration" is determined by a court to be inapplicable or invalid, then the remainder shall still be given full force and effect.

## **STATUTE OF LIMITATIONS**

You and Big Fish agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of a Big Fish Offering, these Terms of Use or the Privacy Policy, must be filed within ONE (1) YEAR after such claim or cause of action arose, and is thereafter forever barred.

## **SEVERABILITY**

If any part of these Terms of Use is determined by a court to be inapplicable or invalid, then the remainder shall still be given full force and effect.

## **CONTACT US**

Big Fish Games, Inc.  
Attn: Legal Department  
333 Elliott Avenue West, Suite 200  
Seattle, Washington 98119  
USA

## **DIGITAL MILLENNIUM COPYRIGHT ACT**

The Digital Millennium Copyright Act provides recourse to copyright owners who believe that their rights under the United States Copyright Act have been infringed by acts of third parties over the Internet. If you believe that your copyrighted work has been copied without your authorization and is available on or in a Big Fish Offering in a way that may constitute copyright infringement, you may provide notice of your claim to Big Fish's Designated Agent listed below. For your notice to be effective, it must include the following information:

- (i) A physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed;
- (ii) A description of the copyrighted work that you claim has been infringed upon;
- (iii) A description of where the material that you claim is infringing is located within the Big Fish Offering;
- (iv) Information reasonably sufficient to permit Big Fish to contact you, such as address, telephone number, and, if available, an e-mail address at which you may be contacted;
- (v) A statement by you that you have a good-faith belief that the disputed use is not authorized by the copyright owner, its agent, or the law; and
- (vi) A statement that the information in the notification is accurate and, under penalty of perjury, that you are authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.
- (vii) Big Fish's Designated Agent is:

Big Fish Games, Inc.  
Attn: Legal Department  
333 Elliott Avenue West, Suite 200  
Seattle, Washington 98119  
USA





# Cowlitz Indian Tribe ilani Casino Resort:

Phase II Review

July 12, 2018

Keith Kam, South District Supervisor  
Tribal Gaming Unit



# Mission

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***“Protect the public by ensuring that gambling is legal and honest”***

# Cowlitz Indian Tribe



**ilani means *to sing***

Opened April 24, 2017

368,000 square-foot casino resort

Design projects the culture of the Northwest; pays tribute to the heritage of the Cowlitz Indian Tribe. **The Forever People**



# Cowlitz Indian Tribe

**4,159** members

**262** government employees

**142** health and human  
services employees



# Cowlitz Indian Tribe

Health Services

Youth Services

Housing Department

Natural Resources

Transportation Department

Cultural Resources

Elders Program



# What is a Phase II Review?



After 12 months of operations, a review was conducted to determine compact compliance:

Table Games

Tribal Lottery System

Cage/Soft count

Security

Surveillance

Accounting

# Review Criteria

1. There have been no violation(s) of the provisions of this Compact which have resulted in sanctions imposed by the Federal District Court or the National Indian Gaming Commission.

*Successfully Completed*



# Review Criteria

2. There have been no violations of the Compact which are substantial or, due to repetition, would be deemed material violations of the Tribal/State Compact.

*Successfully Completed*

# Review Criteria

3. There have been no material adverse impacts on the public health, safety, or welfare of the the surrounding communities in the nature of criminal activities directly related to the operation of the Class III facility.

*Successfully Completed*

4. The Tribal Gaming Agency has developed a strong program of regulation and control demonstrating an adequate level of proficiency.

Successfully Completed



# Review Criteria

5. There were no material violations of Appendix A or X2 of the Tribal/State Compact.

*Successfully Completed*

# Upon Successful Completion of the Review

The Cowlitz Tribe's ilani Casino Resort will continue to operate:

- Maximum wagering limits of \$500
- Up to 75 gaming stations
- Tribal Lottery System limits – up to 2,500 player terminals

# Recommendation

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*Staff Recommends the Commission  
Approve ilani Casino Resort  
To Continue Operating at  
Phase II Limits*



# Questions?

Keith Kam, South District Supervisor  
Tribal Gaming Unit





# FY19 Budget Revisions

July 12, 2018

Cam Dightman, Budget Specialist  
Business Operations Division





# Agenda

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1. Revised FY19 Revenue Estimate
2. Revised FY19 Expenditure Estimate
3. Estimated Working Capital Balance
4. Staff Recommendation – FY19 Budget

# Revenue Estimates

## Gambling Revolving Account

	FY 2019
Commission Approved: August 2017	\$10,741,000
Staff Recommendation: July 2018	11,106,000
<b>Change</b>	<b>\$365,000 3.4%</b>

Estimates made in 2017 were based on FY16 gross receipts reported by licensees. The revised estimates use gross receipts reported by licensees for FY17.

# Expenditure Estimates: FY19

	<b>Commission Approved: August 2017</b>	<b>Staff Recommended: July 2018</b>	<b>Difference</b>
Gambling Revolving Account	\$14,426,000	\$14,253,000	-\$173,000
Industrial Ins. Prem. Refund Acct.	25,000	25,000	0
Federal Seizure Acct.		33,000	33,000
Matching Funds for Problem Gambling Study		50,000	50,000
<b>Total</b>	<b>\$14,451,000</b>	<b>\$14,361,000</b>	<b>-\$90,000 -0.6%</b>

# Working Capital Balance

## Gambling Revolving Account: FY19

Estimated Beginning Working Capital	\$8,911,000
Plus: Estimated Revenue	<u>11,106,000</u>
Total Available *	\$20,017,000
Less: Estimated Expenditures	<u>14,253,000</u>
<b>Expected Ending Working Capital</b>	<b>\$5,764,000</b>

**\*Minimum Working Balance Target: \$2,376,000**

OFM recommends maintaining working capital balance at no less than 60 days of estimated expenditures.

# Staff Recommendation

## Approve Revised FY19 Budget:

Revenue	\$11,106,000
Expenditures:	
Gambling Revolving Acct.	\$14,253,000
Industrial Ins. Pre. Refund Acct.	25,000
Federal Seizure Acct.	33,000
Matching Funds for PG Study	50,000
<b>Total</b>	<b>\$14,361,000</b>

**114 FTEs**



# Questions?

Cam Dightman, Budget Specialist  
Business Operations Division





# Electronic Gambling Lab

July 12, 2018

Melissa Valencia, Lab Administrator  
Electronic Gambling Lab







# Tribal Lottery System Overview

Requirements defined  
in Appendix X2

Unique within the  
gaming industry



# Tribal Lottery System Basic Structure

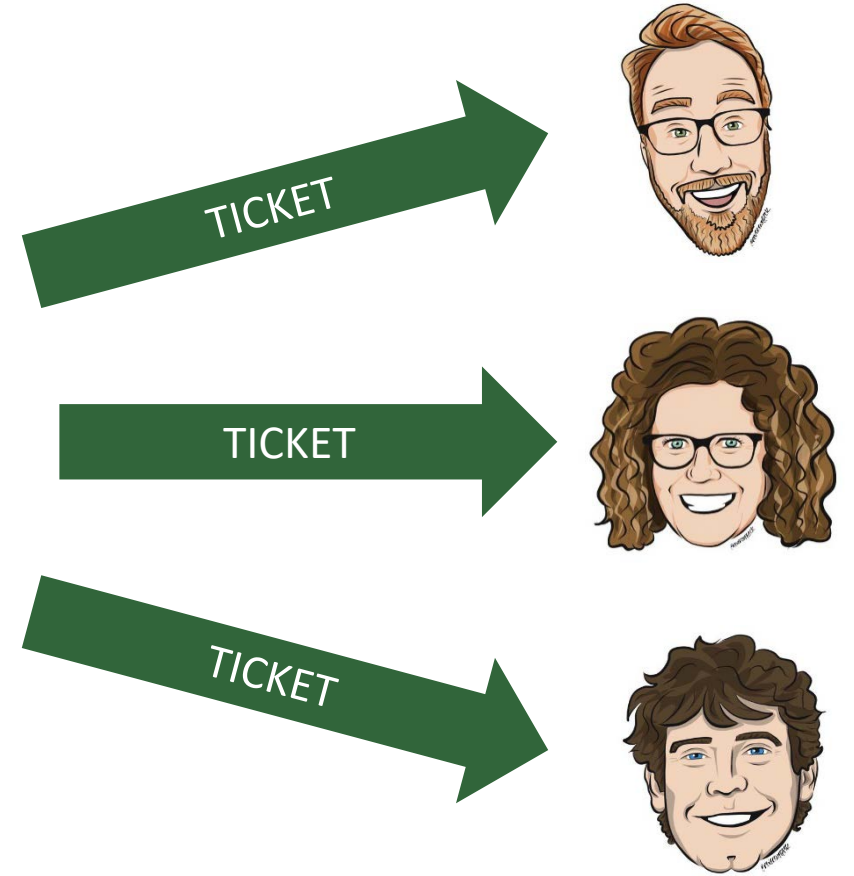
**MANUFACTURING  
COMPUTER**

**RANDOMLY  
CREATES  
GAME SETS  
AND SUBSETS**

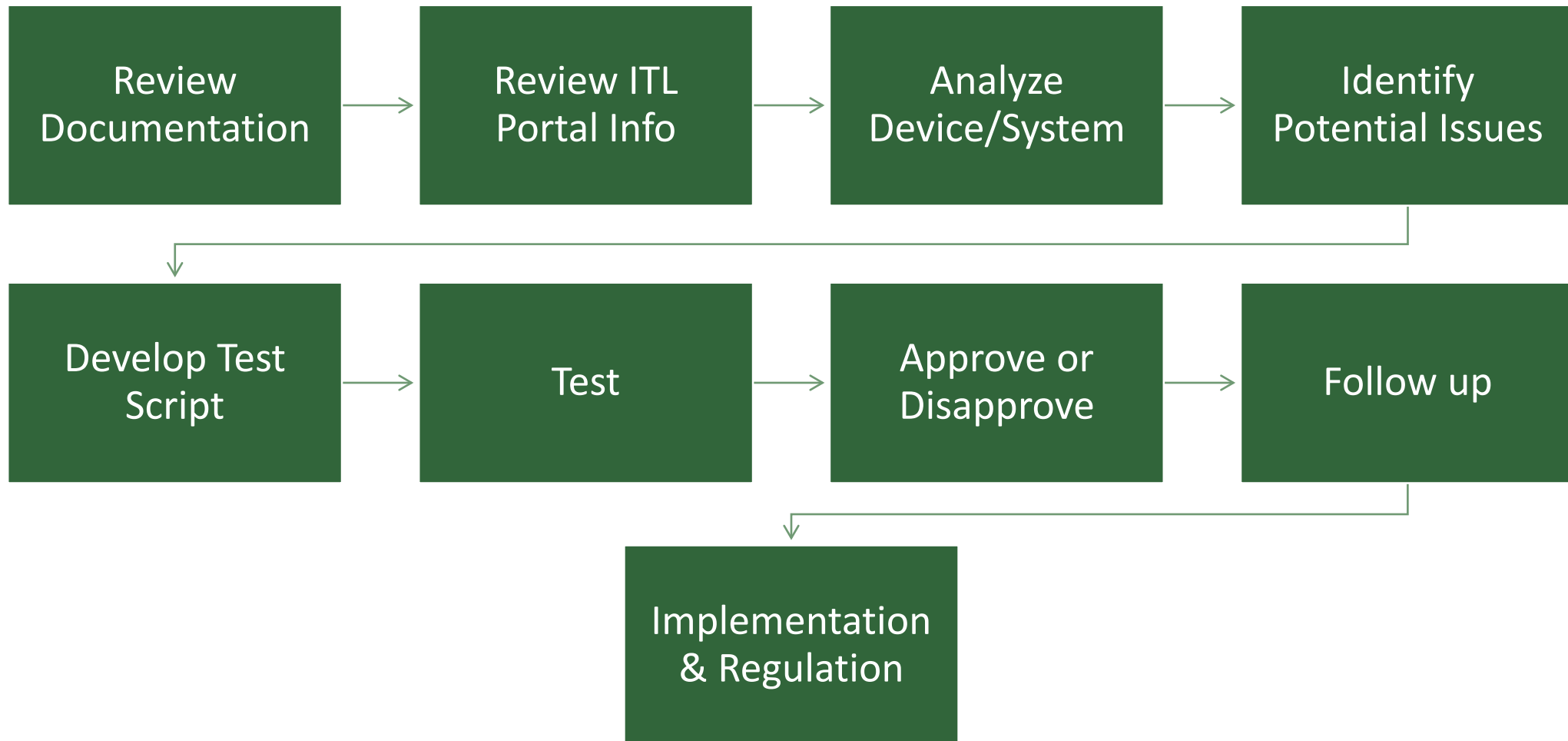


**CENTRAL  
COMPUTER**

**STORES AND  
DISPENSES  
TICKETS**



# Submission Process



# Submission Difficulties

## Required Action Notice (RAN)

Issued for Technical Difficulties

- Documentation
- Testing materials
- System set up
- System reliability
- Response to inquiries

## Finding of Non-Compliance (FNC)

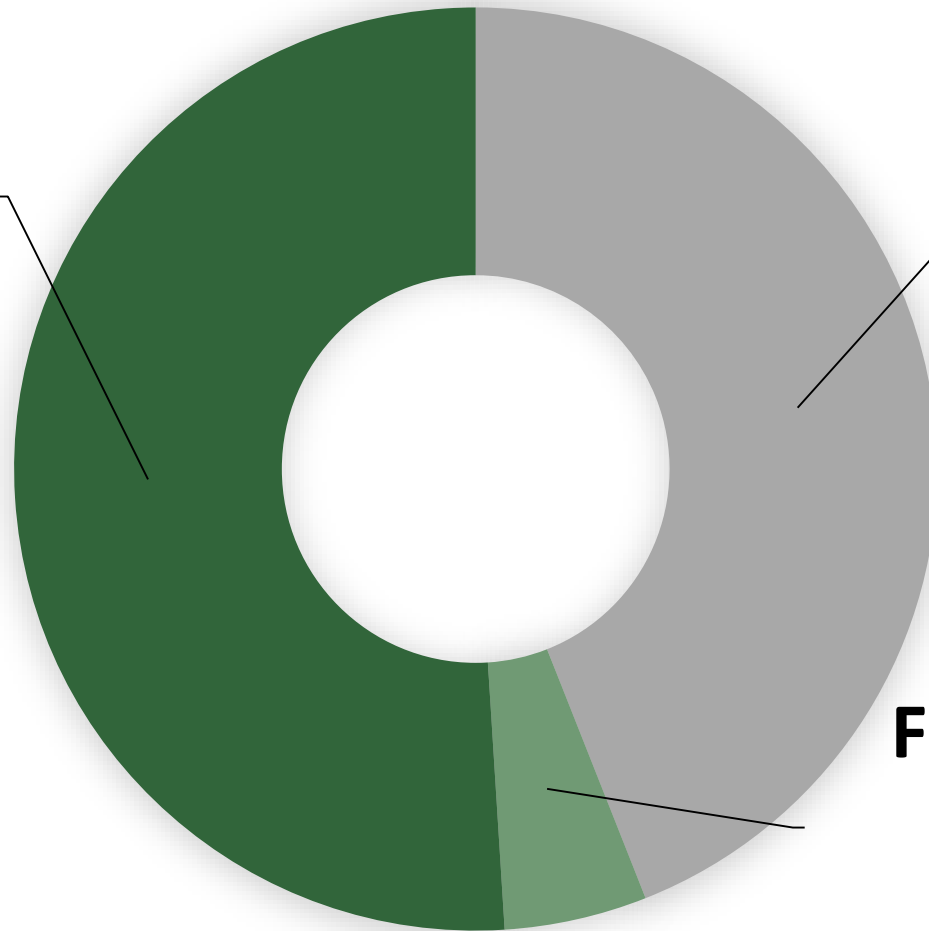
Issued for Compliance & Regulatory Problems

- Data protection/encryption
- Reporting
- Direct violation of Appendix X2

# Issues Discovered During Testing

Jan – May 2018

**Required  
Action Notice  
51%**

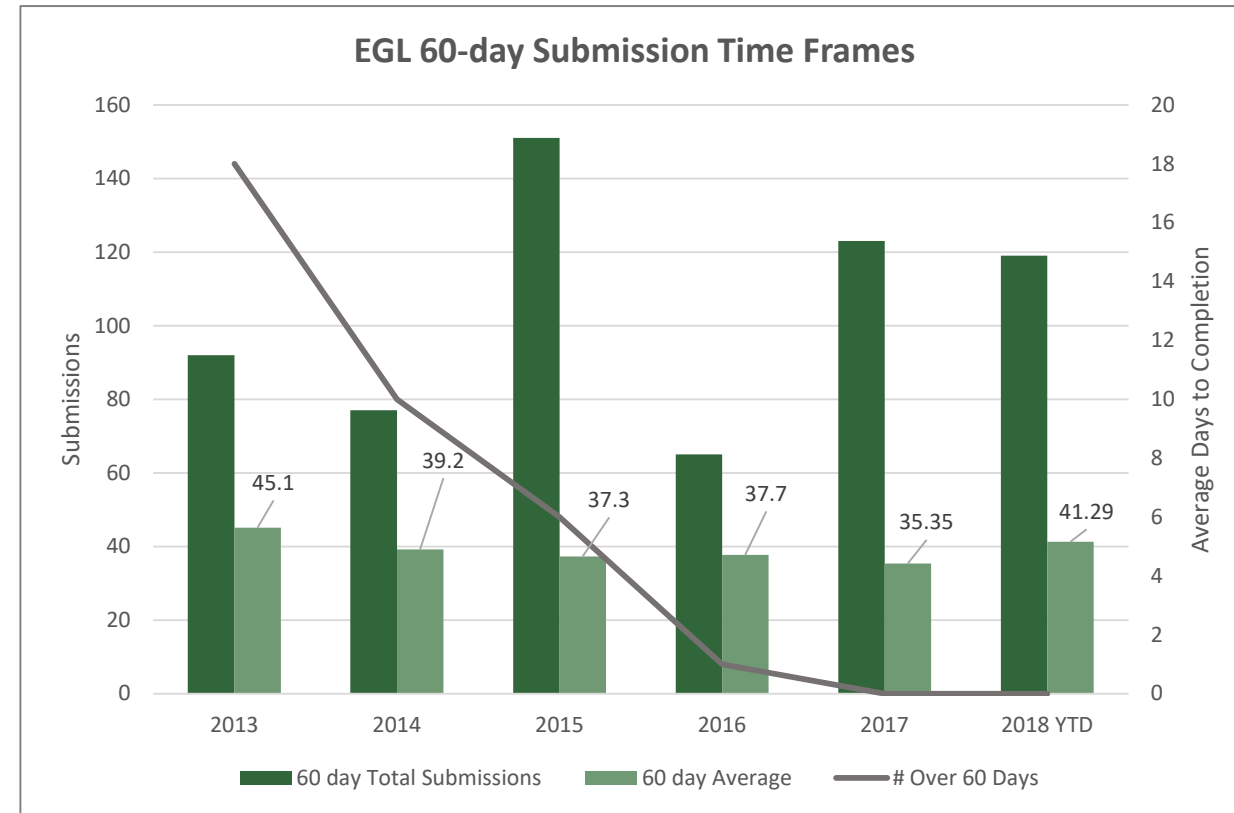


**No Problems  
44%**

**Finding of Non-  
Compliance  
5%**

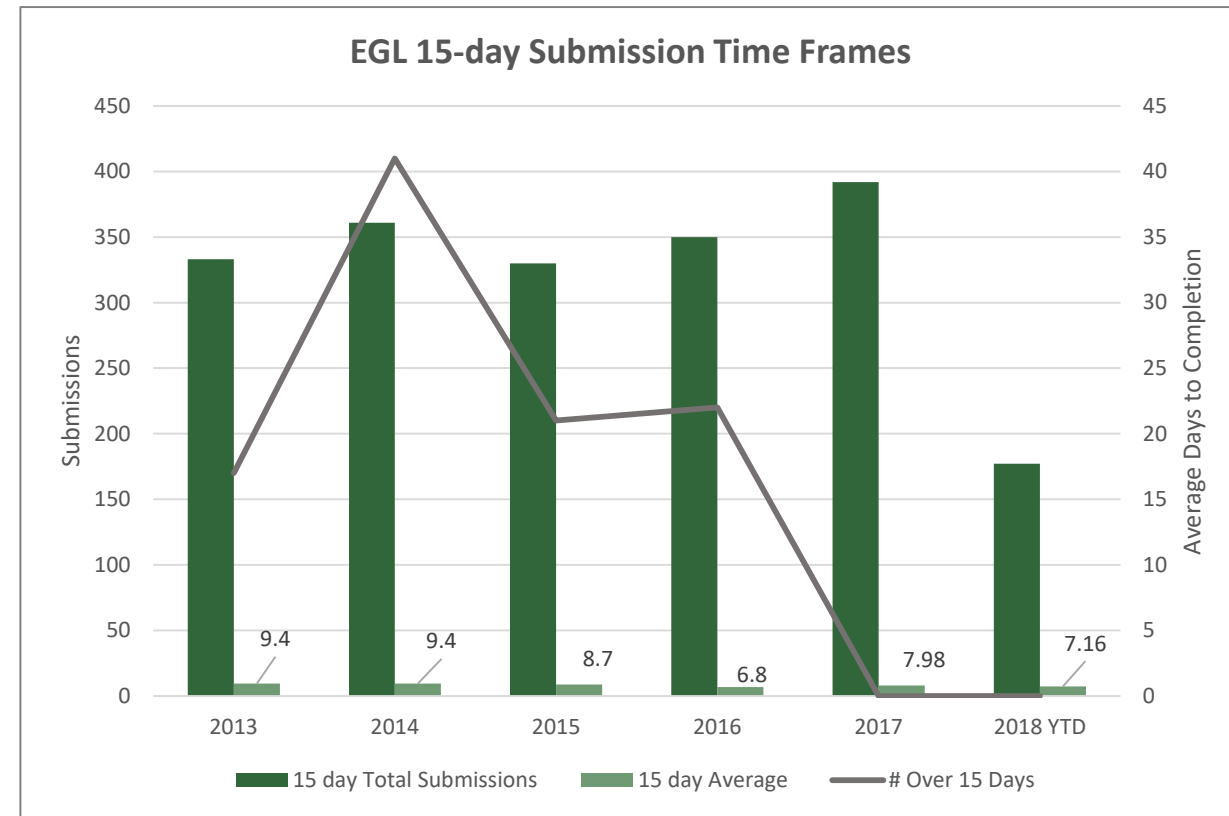
# Improving Processing Times

	60-day Submissions			
	Total Submissions	Average Days to Completion	# of Submissions Over	% of Submissions Over
<b>2018 YTD*</b>	119	41.29	0	0
<b>2017</b>	123	35.35	0	0
<b>2016</b>	65	37.7	1	1.54
<b>2015</b>	151	37.3	6	3.97
<b>2014</b>	77	39.2	10	12.99
<b>2013</b>	92	45.1	18	19.57



# Improving Processing Times

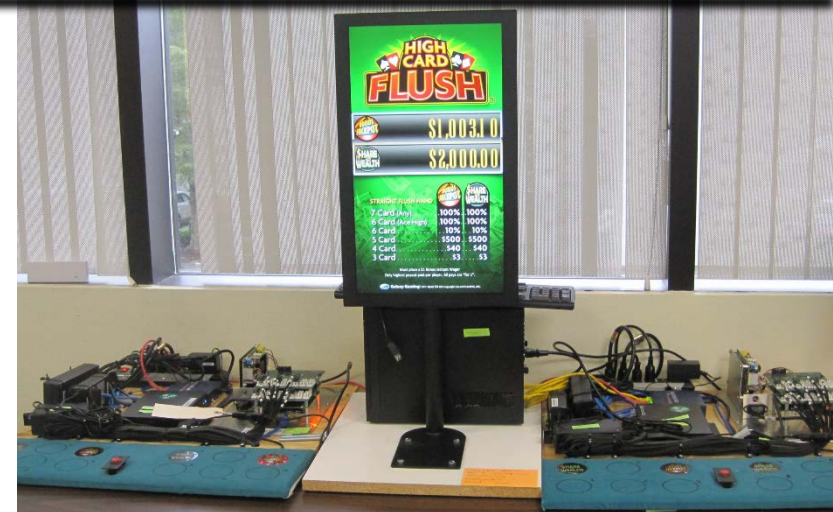
	15-day Submissions			
	Total Submissions	Average Days to Completion	# of Submissions Over	% of Submissions Over
<b>2018 YTD*</b>	177	7.16	0	0
<b>2017</b>	392	7.98	0	0
<b>2016</b>	350	6.8	22	6.29
<b>2015</b>	330	8.7	21	6.36
<b>2014</b>	361	9.4	41	1.36
<b>2013</b>	333	9.4	17	5.11



# Gambling Equipment Testing



Tribal Lottery  
Card Shufflers  
Bingo  
Gaming Tables  
Progressive Tracking &  
Displays  
Keno  
Roulette





# Assisting Regulatory Agents



# Successes

Improved communication and relationships with ITLs, tribal governments and manufacturers

Faster processing times

Greater efficiency

Discovering issues prior to deployment to the public





# Questions?

Melissa Valencia, Lab Administrator  
Electronic Gambling Lab





# Tribal Community Contributions

July 12, 2018

SAS Dan Wegenast, SAS Kelly Main

Tribal Gaming Unit



# Mission

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***“Protect the public by ensuring that gambling is legal and honest”***

# Tribal Contributions



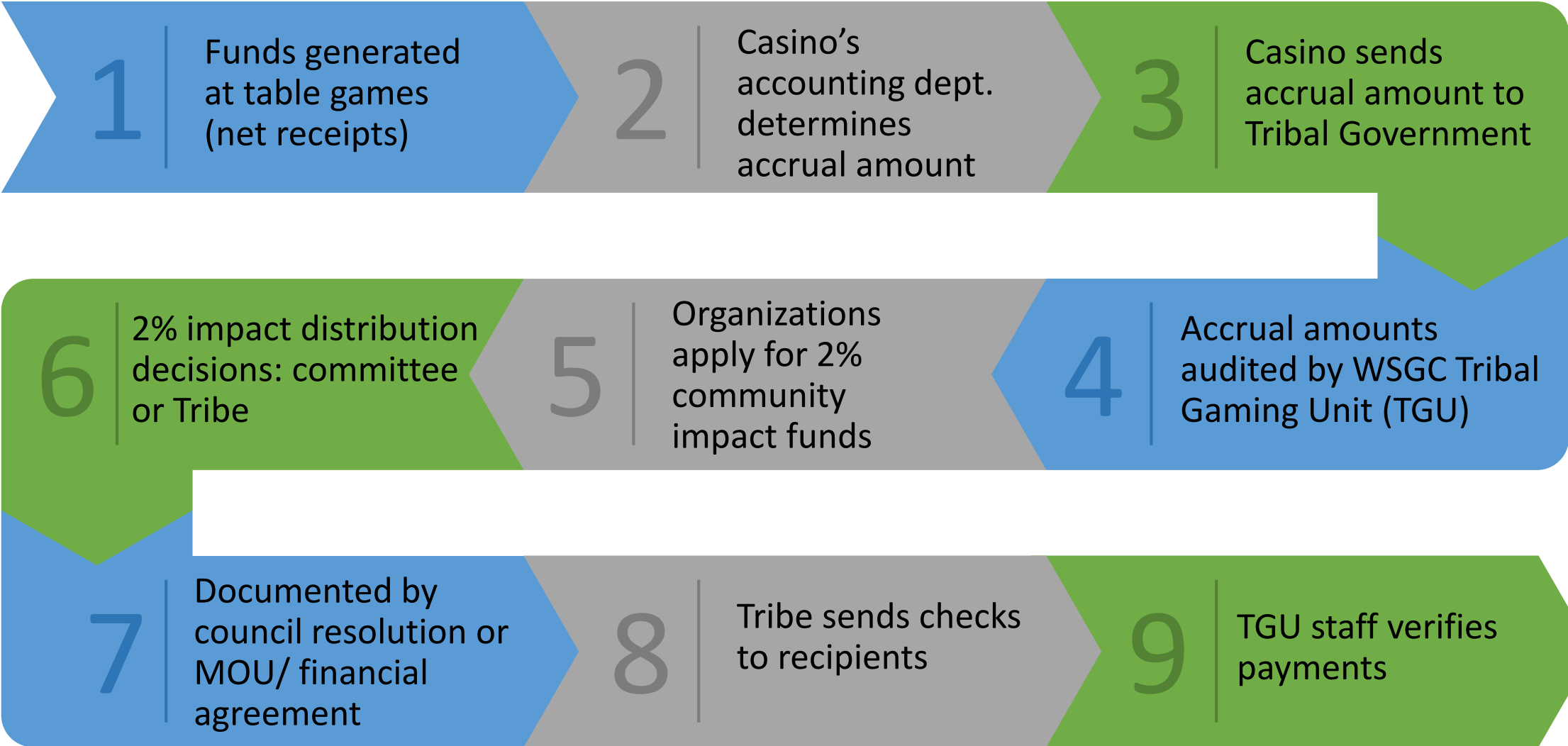
## WSGC Role:

Community Impact Committee  
Accrual & Payment Verification

# Community Impact Contributions

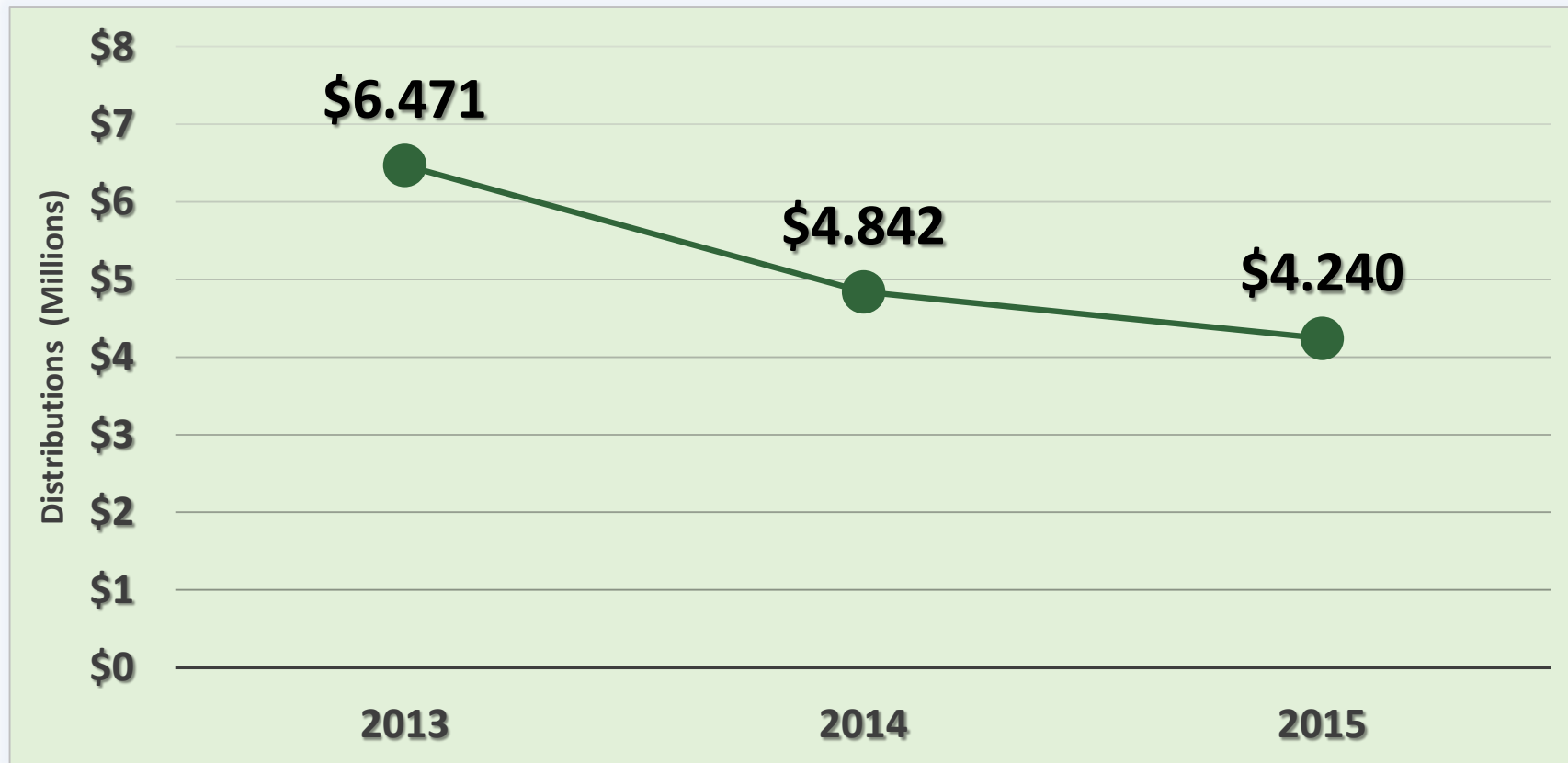
Up to **2%** of table game net receipts  
Paid to government agencies impacted  
by casino







# Community Impact Funds Distributed



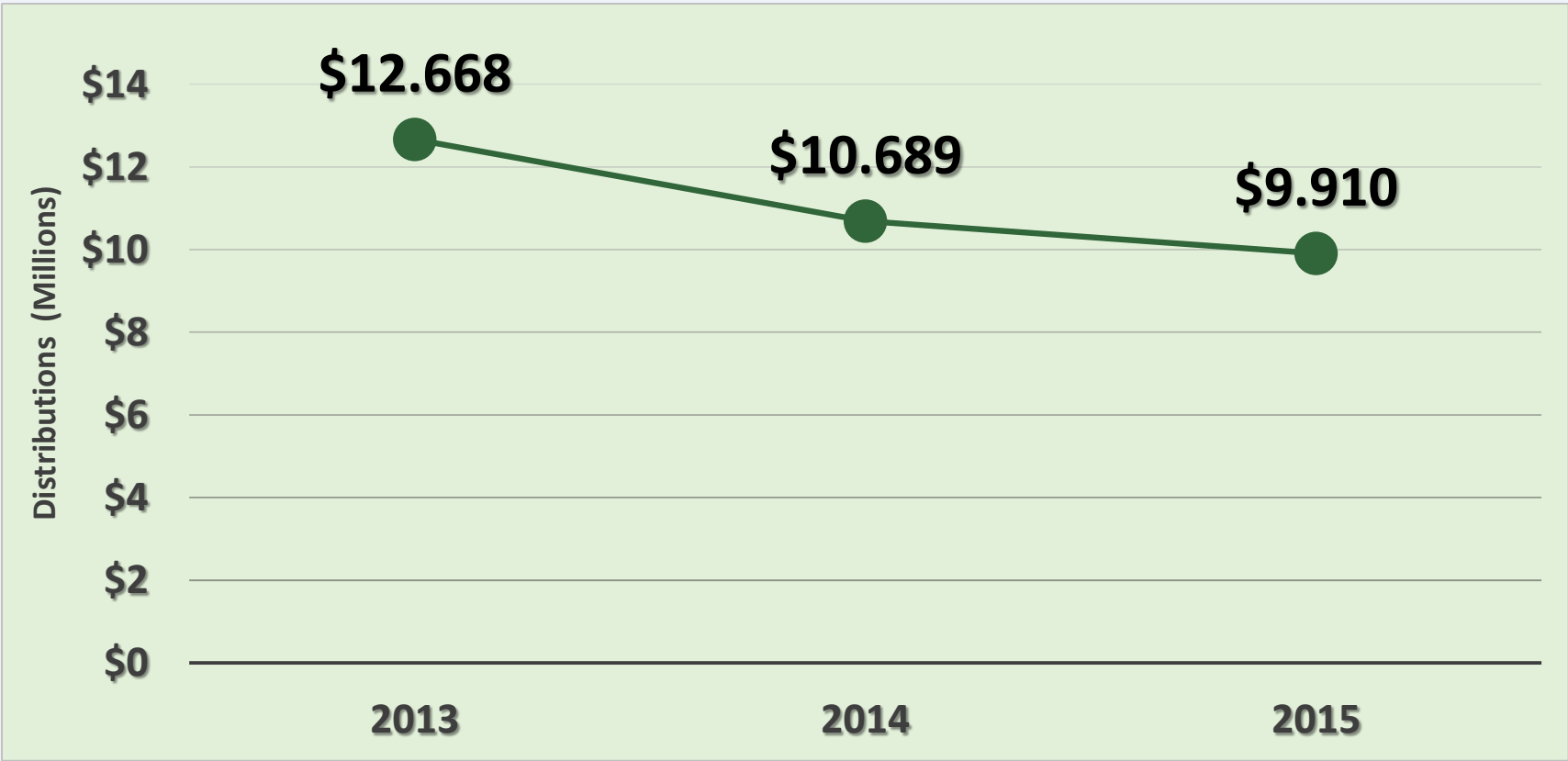
# Charitable Distributions

**0.5%** of Tribal Lottery System (TLS)  
net receipts

Paid to non-profit/charitable  
organizations in WA



# Charitable Distributions









# Smoking Cessation Contributions

**0.13%** of Tribal Lottery System (TLS)  
net receipts

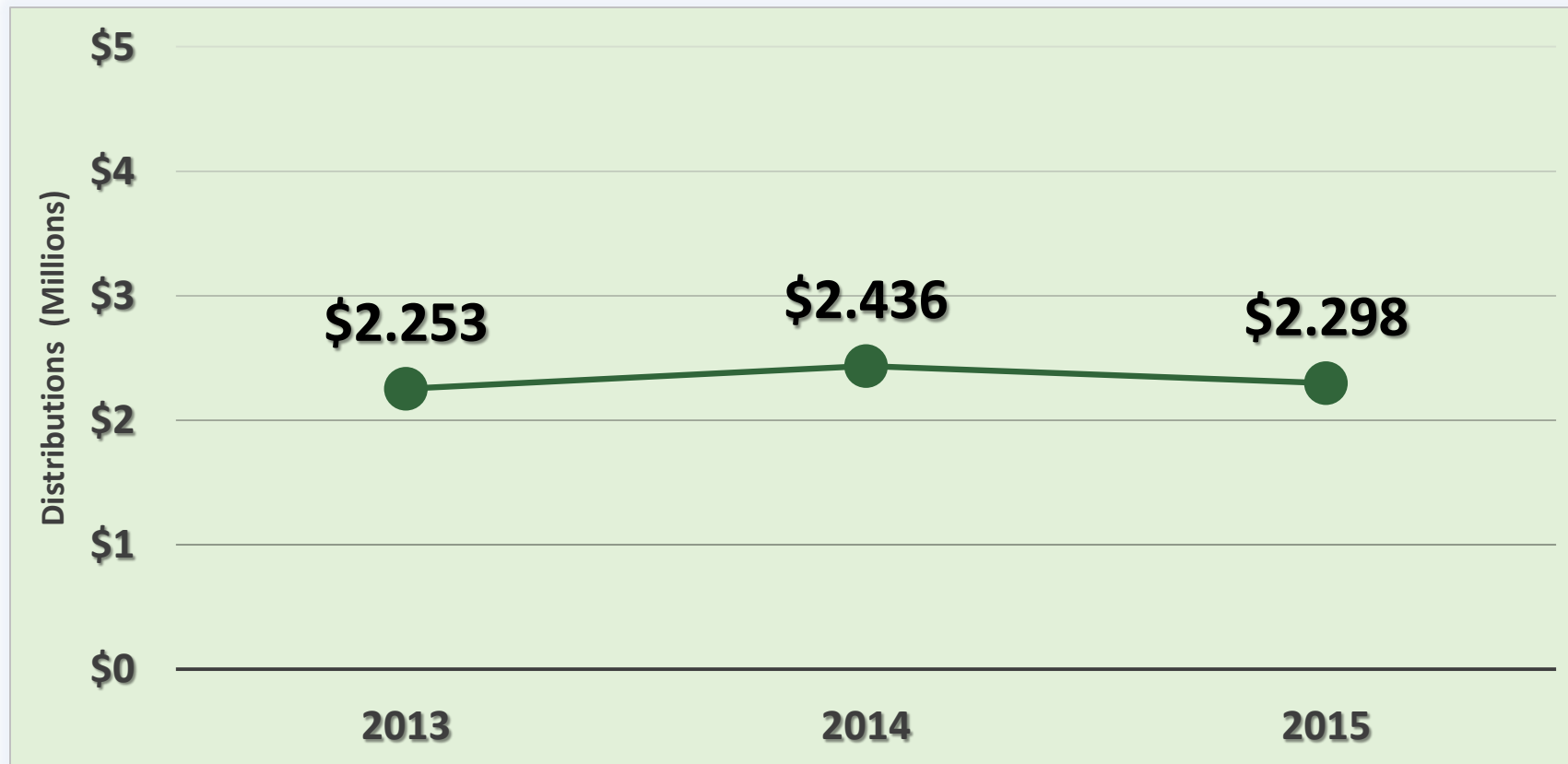
Paid to government or  
non-profit/charitable orgs. in WA  
Cessation, Prevention, Education,  
Awareness, Treatment



**Smoking is prohibited  
within 25 feet of  
all building entrances.**

**Thank you for not smoking.**

# Smoking Cessation Distributions





# Problem Gambling Contributions

**0.13%** of Class III net receipts  
Paid to government or  
non-profit/charitable orgs. in WA  
Education, Awareness, Treatment

ACRS



ASIAN COUNSELING  
and REFERRAL SERVICE

## Pathological Gambling - Symptoms

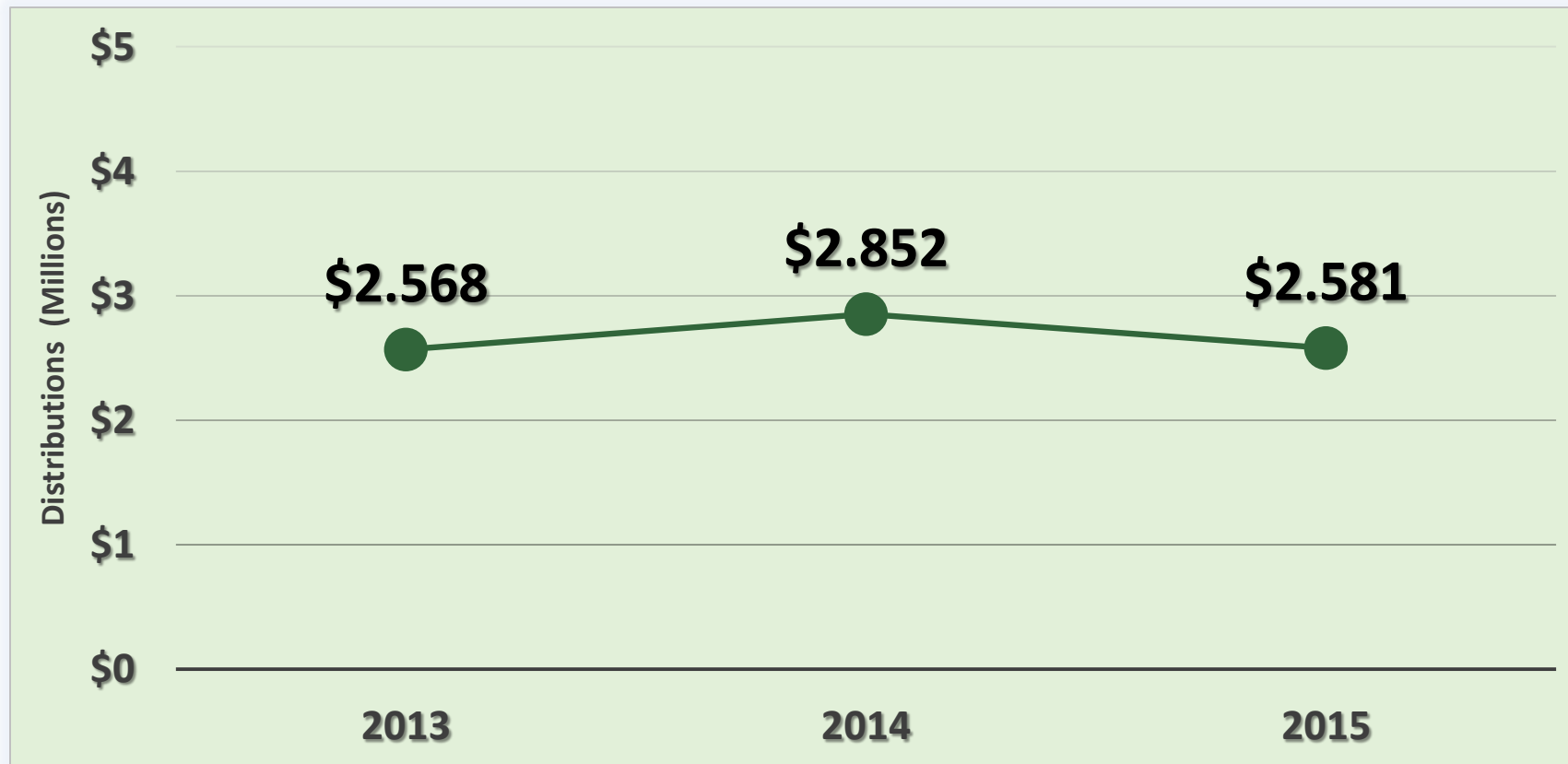
- Gambling is dominating his/her waking hours thinking
- The gambler tries to reclaim their losses
- The gambler uses it as an escape from other stressors in their life
- The gambler is deceptive about their gambling habits i.e. they lie
- There are physiological signs if they are deprived of gambling e.g. sweating
- There is increased frequency and or levels of gambling (increased tolerance)
- They resort to theft, deception or other illegal activities to fund gambling.



**EVERGREEN**  
Council on Problem Gambling

*Treatment. Training. Awareness.*

# Problem Gambling Distributions





# Questions?

SAS Dan Wegenast, SAS Kelly Main  
Tribal Gaming Unit







betting and online poker. Rep. Barton has a history of introducing bills to authorize online poker. However, the bill's sponsor, Rep. Barr (R-KY), was not amenable to the proposal. The Subcommittee's chair, Rep. Walden (R-OR) was noncommittal on advancing the underlying bill or any amendments related to sports betting and online poker.

### Sports Leagues

Professional sports leagues (NBA, NFL, NHL, MLB, and PGA) continue to advocate for a federal framework that provides a uniform approach to sports gambling in states that choose to permit it. Right now, the NBA, MLB, and PGA have been the most vocal publicly. They continue to focus their lobbying efforts towards state legislatures integrity or royalty fees and control over the sharing of their statistics and data.

The primary legal theory for these requests is that the leagues provide a product that is their intellectual property. Specifically, the games themselves, or the scores/data from the games, have protectable intellectual property rights that deserve compensation if being used for legalized gambling. This argument is not winning with state legislatures and the industry is waiting to see if the leagues will file a lawsuit asserting these claims now that Delaware, New Jersey, and others will have sports gambling.

Additionally, the NCAA has indicated to its member schools that it will not seek an integrity fee or royalty from sports gambling. It will not seek gambling revenues even though it knows it will cost money to monitor the integrity of their games. Instead, schools will "need to look at their own values" and decide how to proceed.

Lastly, it sometimes is helpful to hear directly from the league leaders. Here are some statements from MLB Commissioner Rob Manfred when talking with a New York sports radio station:

We have to expend time, effort, resources to make sure that the increased legalized gambling doesn't become a threat to the integrity of our game....We recognize that gambling can be a source of fan engagement...and we will take advantage of this new landscape to try and make people even more interested in Major League Baseball....

... Sports leagues spend literally billions of dollars to stage these games and I do not think it's unreasonable to suggest that people who are free riding on our product...should have to compensate us.

... I do not believe that it is appropriate for Major League Baseball...to rely on a bunch of state regulators to ensure the integrity of our sport.... Quite frankly, I don't believe they'll be as good at it as we will be...the deepest fear is that somehow people involved in betting try to influence the outcome of the game on the field.

## States

Two states—Delaware and New Jersey—have started offering sports gambling within their states. Additionally, Rhode Island, Mississippi, West Virginia, and possibly New York will offer sports gambling soon. Each regulatory structure is state-specific, but below is my attempt to summarize the agency responsible for regulation, where sports gambling is offered, licensing information, and tax rate, if possible:

Delaware – The state Lottery is the primary regulator. Sports gambling is now only offered at three land-based racetracks and casinos, and these casinos are operated by a single operator under one license. The license fee is shared based on their slot contribution to the state. Their Legislature will likely consider mobile/online authorizing in upcoming legislative sessions.

Kentucky – Legislators are forming a bi-partisan “panel” to “draft and file legislation to implement legal sports betting in Kentucky.” It is unsettled who will regulate (Lottery vs. Horse Racing Assoc.), but operations will likely be at licensed in-state horse race tracks, especially since Churchill Downs, Inc is a resident operator and has casino properties in Mississippi and Pennsylvania. The proposed bill would imposed a 3% tax on the handle (total amount wagered and not gross receipts).

Michigan – The Gaming Control Board would be the primary regulator. Sports gambling legislation did not pass before the legislature’s summer recess. However, it is expected to be voted on in the state senate when it reconvenes in September. All operators must be licensed, and would authorize land-based casinos and mobile and internet platforms. Gross revenues would be taxed at 10%.

Mississippi – The Gaming Commission will be the primary regulator, and it just adopted sports gambling regulations on June 22, 2018. Sports gambling is limited to land and water-based casinos, and all operators must be licensed. Mobile wagering only allowed on casino’s property and Caesars and MGM are putting themselves in position to open in July. Gross revenues are taxed at 12%.

New Jersey – The Gaming Control Board is the primary regulator. Sports betting is currently offered at land-based casinos for now but New Jersey has authorized intrastate internet gambling and mobile/internet sports gambling will occur in the near future. All operators must be licensed. Land-based gross revenues are taxed at 8.5% and online revenues are taxed at 13%. There is an additional 1.25% local tax authorized to support state licensed horse race tracks.

New York – The Gaming Commission is the primary regulator. The state authorized sports gambling by referendum in 2013, and all operators must be licensed. However, a bill updating the law, including authorizing mobile wagering failed to pass this session. The Gaming Commission is allegedly working on regulations for the state’s four commercial casinos and they could offer land-based sports gambling in 2018. Gross revenues are taxed at 8.25%.

Oregon – The state Lottery would be the primary regulator and has publicly indicated its desire to provide sports gambling products as soon as possible. The lottery is working to offer a mobile application this summer that will allow players to check their lottery ticket results. The lottery states the mobile platform will eventually offer games and sports gambling. Governor Brown has stated she is “open to exploring sports betting as part of the Oregon State Lottery portfolio, particularly in ways that partner with Oregon’s Tribes.” Oregon is searching for new revenues and the lottery is the second-largest source of revenue after personal income taxes. However, there are no proposed sports gambling regulations to review at this time.

Pennsylvania – The Gaming Control Board is the primary regulator. Sports gambling can occur in thirteen licensed land-based casinos and through mobile and internet platforms. There are no operators at this time. The state is accepting applications for operators, but no applications have been submitted likely due to the \$10 million licensing fee and gross revenue tax of 36%.

Rhode Island – The state Lottery is the primary regulator and will work in partnership with the operators. Currently, two commercial casinos will offer sports gambling. The state lottery will operate the sports gambling through these casinos and they expect to start offering their products by October 1, 2018. The allocation of net revenues are 51% to the state; 32% to the Vendor (IGT); and 17 % to the casino.

West Virginia – The state Lottery is the primary regulator and it is finalizing its sports gambling rules for its five race tracks/casinos. All operators must be licensed. The Lottery has stated that it expects regulations to be in place so operators can go “live” by September 1, 2018, at the latest. Gross revenues are taxed at 10%.

### Tribal Governments

The National Indian Gaming Association (NIGA) and Tribal governments throughout the country continue to work with state governments and regulators on policy and legal issues related to the Indian Gaming Regulatory Act (IGRA) and existing Tribal-State gaming compacts. Four tribal gaming states that are currently navigating these issues are: Connecticut, Michigan, Mississippi, and New York.

Connecticut – The state is currently negotiating compact terms with the Mashantucket Pequot and Mohegan tribes who each run a casino in the state. The Tribes argue that their compacts grant these tribes the exclusive right to provide sports betting within the state. However, the state Attorney General and some lawmakers do not agree they have exclusivity. The Tribes may desire to negotiate for online gambling as well. Regardless, the Governor indicated in June that they are not close to agreement and “don’t anyone hold your breath.”

Michigan – As stated above, the state legislature is moving forward on a bill authorizing sports gambling at its three Detroit-area commercial casinos. There are twenty-one Tribal operations in the state. The possible obstacle for compact



negotiations could relate to IGRA and the Tribes' ability to offer internet sports gambling compared to state commercial operators.

Mississippi – The Mississippi Band of Choctaw Indians operates three casinos in the state. In June, the Tribe approved amendments to its gaming commission regulations that will allow sports gambling. The changes also authorized skill-based games, daily fantasy sports, e-sports. The Tribe has been able to move quickly because state law was amended in 2017 to allow sports gambling and the Tribe's gaming compact already allowed sports gambling if/when the state authorized it. The Tribe expects to offer sports gambling on or before commercial casinos begin their operations in the fall.

New York – New York has eight Tribal casinos, and they are preparing to offer land-based sports gambling at their casinos based on the 2013 referendum allowing sports betting at casinos. However, the Oneida Tribe opposed the recent legislation that did not pass this session. In a letter to the Governor, the Tribe indicated the legislation's authorization of kiosk or mobile sports gambling violated the terms of the exclusivity zone identified in its compact and violate the state's constitutional restrictions that limit casino gambling to gambling "at no more than seven" authorized casinos. If it is a violation, the Tribe may stop making revenue sharing payments under its compact, which amounted to approximately \$200 million over the past five years.

Lastly, Commission staff continue to communicate with Washington Tribal leaders and co-regulators about their interest in authorizing sports gambling within the state. Washington Tribes are still reviewing the legal and policy implications of authorizing sports gambling, and continue to review their operations to determine if sports gambling is a viable amenity for their casinos. We will continue to have open communications with our Tribal partners and co-regulators as they work towards a consensus position for the 2019 legislative session.

### Commercial Operators

Commercial sports gambling operators continue to adjust to the emerging U.S. sports gambling market. William Hill, MGM, Caesars, DraftKings, Paddy Power Betfair/FanDuel, International Gaming Technology (IGT), Scientific Games, Inc continue to work towards agreements with new operators. The most recent news involves the current Daily Fantasy Sports companies—DraftKings and FanDuel. FanDuel is being acquired by Paddy Power Betfair, but it recently announced an agreement with a West Virginia operator. Additionally, the Fantasy Sports Trade Association released data from a market survey that shows a link between people who participate in traditional sports gambling and fantasy sports. These results support the belief that DraftKings and FanDuel, or whoever acquires them, will continue to move towards traditional sports gambling as online markets continue to emerge.

Lastly, Commission staff continue to reach out to our State Lottery and other commercial operators about their interest in authorizing sports gambling within the state. We will continue to have open communications with commercial operators as we work towards the 2019 legislation session.