

## Nevada Gaming Panel Considers Betting On E-Sports

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Nevada Governor Brian Sandoval believes existing state gaming regulations may allow wagering on the outcome of professional electronic or e-sports games such as Counter-Strike, StarCraft, Painkiller and Call of Duty.

“In order to remain the global leader in gaming policy and innovation, we should embrace the opportunities in merging technology with this evolving and competitive industry,” Governor Sandoval said in a statement before Friday’s Nevada Gaming Policy Committee hearing.

The e-sports industry is also being looked at as a way to draw millennials into Las Vegas casinos.

Although Sandoval believes wagering on e-sports can be done under current regulations, wagering on these events is still not allowed in Nevada.

E-sports contests are drawing large crowds worldwide, include in the U.S. at venues ranging from the Staples Center in Los Angeles to Madison Square Garden.

The North American League of Legends e-sports championship attracted 3,800 fans on its first day of a contest in April at The Mandalay Bay Events Center in Las Vegas and 6,100 on the second day.

Separately, Seth Schorr, CEO of Fifth Street Gaming, disclosed that his casino’s sports book has applied with Nevada gaming regulators for licensing for wagering on e-sports events.

Schorr’s company operates the Downtown Grand, billed as Las Vegas’ e-sports headquarters. The casino has an e-sports lounge that offers contests, viewing parties for international e-sports events and sponsorship for two professional e-sports teams.

Jonathan “Fatal1ty” Wendel, an e-sports professional in Las Vegas, told the committee he has won 12 e-sports championships and 40 tournaments around the world. His biggest prize so far was \$150,000 in a Cyber Athletic League contest.

Wendel said he trains much like traditional athletes, using “sparring partners” to prepare for e-sports events and running two miles daily to stay sharp.

“We think there is a tremendous opportunity for Nevada to really lead (e-sports) in a meaningful way,” said Craig “Torbull” Levine, CEO of Electronic Sports League North America.

The next step could be reinterpreting Nevada Regulation 22.120, which allows sports books to take

wagers on professional sports games, as well as Olympic and collegiate sports events.

Sandoval agreed e-sports wagering could be permitted under state Reg. 22.120.

Before state regulators approve e-sports wagering, committee members said Nevada must consider the [integrity](#) of those matches.

A.G. Burnett, chairman of the Gaming Control Board, cited the regulation and noted that the federal government allows foreign e-sports players to qualify for special visas like those provided to professionals in traditional sports.

The committee — a panel that included the Governor Sandoval, regulators and casino executives — also discussed daily fantasy sports, skilled-based gaming, online poker and the opportunity to start permitting online casino games inside Nevada borders.

Chris Grove, senior partner of Narus Advisors, said online poker peaked in 2014 and has declined since then.

But [New Jersey's](#) intrastate online casino game operations have grown consistently since 2013 and are expected to generate \$200m in revenues in 2018.

Nevada also should allow online casino games, said Michael Cohen, general counsel for Caesars Interactive Entertainment.

Cohen mentioned the 2014 compact Nevada signed with Delaware to combine online poker games. To increase online poker liquidity further, Cohen suggested New Jersey join the Internet poker compact.

Sandoval said he “would like nothing better” than for New Jersey to sign the online poker compact.

“I’m ready to sit down with Governor (Chris) Christie and whoever to get that done,” Sandoval said.

New Jersey’s constitution requires the computer servers for online poker to be located in New Jersey, but Burnett said that issue could be resolved.

Meanwhile, the California Legislature is considering Assembly Bill 2863, which would allow intrastate online poker, said Mark Clayton, co-chairman of gaming practice at law firm Greenberg Traurig.

The bill would permit the California Gaming Commission or California Department of Justice to subcontract with Nevada to investigate online poker applicants for online poker licenses.

The measure could lead to closer California-Nevada ties and potentially to California’s participation in the online poker compact.

The arrangement would help California start online poker play and related tax revenue collections while

Nevada and Delaware benefit from increased player liquidity, Clayton said.

In addition, Nevada could amend the Gaming Control Act to allow foreigners to play online poker on a Nevada-based online poker website if doing so would not violate laws in the foreign player's home country, Clayton said.

Both Cohen and MGM Resorts International CEO Jim Murren said none of the new online gaming products or e-sports discussed would conflict with the company's bricks-and-mortar casinos.

"This is literally the way the world is going," Murren said.

