

# PRESERVING THE PASSION OF PLAY

With Nevada leading the charge in passing new laws and regulations that enable properties to take advantage of the flow of innovations and new technologies, **Sam McMullen** of FiveGen Gaming looks at a few of the new standards currently being tested that could soon prove to be as ubiquitous as the “one-armed bandits” we all know and love.

In 2017, it shouldn't be a surprise that technology touches everything we do. And in casino and gaming establishments it should come as no surprise that we must keep up with the flow of new technologies, especially if we wish to remain relevant moving into 2020 and beyond.

***“At Level Up inside MGM you can now test out games that are part of Nevada’s gaming innovation beta program”***

The state of Nevada has been leading the charge for change in passing new laws and regulations that are allowing properties to take advantage of the new opportunities presented by this accelerated innovation. Below are a few new standards that are currently being tested and could soon prove to be as ubiquitous as the “one-armed bandits” we all know and love.

## **Skill-based slots and arcade games**

The Nintendo generation has given way to Millennials and as this generation has grown up, new developments that push the boundaries of what we consider casino games have emerged. At Level Up inside MGM, for example, you can now test out games that are part of Nevada's gaming innovation beta program. Gamblit is one such player in the space and it is showing off a few touch-table

titles that are more like what you'd find on your mobile phone or within casual games.

## **Recently passed blockchain law (SB398)**

The passage of this law opens up new application frontiers in more than just currency. Betting using blockchain will be

enhanced by the application of a new set of standards already being discussed as “crypto-compliance.” These would include device-based biometric security, similar to Touch ID, that will also incorporate several other factors, including automated identity verification methods using artificial intelligence and pattern recognition systems on a neural net or machine learning platform.

Building in Nevada's innovation to allow electronic record-keeping ledgers, the recent passage of laws that allow the blockchain to be used as more than just a currency standard will ensure security in transacting

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based on your personal information. This will create new opportunities to use smart contracts along with AI technologies that will learn customer habits without allowing that information to be shared with humans.

This evolution will unify and streamline the use of digital keys and rewards card systems currently controlled by the guest. Consider the mobile or automated check-in fraud that's being perpetrated by some very devious people, using the mobile check-in systems at resort hotels and casinos in Vegas with stolen credit cards to gain a resort credit that allows them to rack up charges in resort retail.

Custom tokens backed by existing blockchains or entirely new blockchains for a micro currency standard could entirely replace the need for chips or tickets in casinos.

This could require a master blockchain currency gold standard that would back up several smaller currencies at each property for all casinos in Nevada that would then be supported by the play across all venues.

Each resort hotel would have its own sub currency based on that standard. These sub currencies could allow for better segmentation of the ledger and allow branding and specific actions that are controlled by and allowed for the specific venue.

This chain could then decentralize the cage in casinos and have the immutable ledger be contained on all applications (sportsbooks, retail, guest experiences)

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and devices (slots, skill games, table games) that make up that venue's ecosystem, including the master wallets of each guest and player. Certainly a reduction in the loss of chips that have to be replaced and the reduction in waste from printing tickets would make this a cost-saving and more environmentally friendly choice, yielding benefits yet to be examined.

### **New parimutuel law (SB240)**

Allows for contests or tournaments to have open betting markets if run according to a set of integrity standards. But it doesn't stop there, consider going to TopGolf with your friends and being able to place a wager on your play relative to the progressive play of every other patron or visits to one of the many new esports arenas opening in Vegas, which may allow you to wager as a spectator or as a player in amateur progressive pool games.

### **Authentication**

Discussions at the recent integrity summit hosted by ESIC generated a series of conversations around the need to continue to develop authentication and identity verification standards. These standards would touch spectators and fans, tournament organizers, casinos, and other stakeholders to ensure the overall integrity of esports within streaming sites. The ability to link the identity of hotel/casino guests can connect gaming, mobile devices, digital currency and esports. The reduction of anonymity through increased authentication and identity verification technology could prove extremely valuable.

### **Esports is booming**

Authentication and identity verification become ever increasingly important when you have hundreds of tournaments played every year both domestically and internationally. The question of validity around the identity of the players in those events will have to become much more robust. Before the parimutuel law can be fully utilized to create betting pools and progressive wagering, a better standard of record-keeping for wins and losses, as well

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as every action and transaction in games and streaming broadcasts, needs to exist. This is where the crypto-compliance standards discussed at recent integrity events become so valuable to the stability of play.

### **The main question**

Regardless of the combinations of the various technologies that are now starting to gain traction or those just being introduced, there's always going to be a question of preserving the passion of playability.

As fellow *iGB* contributor Corey Padveen of t2 Marketing International puts it: “The big question that came out of the night, which is something I haven't heard discussed nearly enough, is how can wagering be integrated with the high standards that wagering

demands without sacrificing anything from the experience of the player or fan.” That is, how to incorporate new skill games or wagering standards into resorts without violating the high enjoyability of games built for entertainment alone.

There are many ways to look at these new standards and there will be many applications utilizing combinations of some or all. It's the testing and viability of use that will determine their staying power. But we mustn't forget that no matter how “cool” one or more of these possibilities are or how usable, they must be examined for their utility without sacrificing the entertainment value the games were originally designed to elicit. Stability and use of the standards being suggested will show which will stand the test of time.

*This piece was inspired by a breakout session I co-chaired with Ian Smith of the esports Integrity Coalition at the 2nd Future of esports in Las Vegas Summit on June 8. I would also like to thank Dr. Ben Burroughs of the UNLV Journalism School, my colleagues Robert Sirfus and Adam Tran, and Corey Padveen of t2 Marketing International, for their input.*

**Sam McMullen** is co-founder and CEO of FiveGen, a technology solutions and business consulting firm. In November, he presented to the Nevada Gaming Policy Committee on creating technical standards for legalising esports wagering. For more information, please visit [www.fivegen.com](http://www.fivegen.com).

