

Tribal Internet Gaming Alliance

Launch, Implement and Expand

What is TIGA?

- ▶ *“An alliance of Indian Tribes working collectively to offer, regulate and promote internet gaming within the framework of IGRA and all applicable state and federal laws.”*
- ▶ –Jeffrey Nelson, Kanji and Katzen, TIGA Attorney.

What was the purpose of starting TIGA?

- ▶ TIGA was started by a coalition of small and medium tribes interested in the iGaming industry.

- ▶ Purposes:
 - Research and study the effects of internet gaming;
 - To determine the impact of internet gaming on tribal casino operations;
 - Update tribes on state and federal legislation;
 - Find an iGaming platform partner best suited for tribes of all sizes;
 - Tribes were not willing to be dictated too and asked for a working partner to come up with the best iGaming solution.
 - Assist in the development of iGaming internal controls and regulations for tribes;
 - Increase liquidity and protect tribal sovereignty;
 - Develop an iGaming strategy and solution for a coalition of tribes.

What is Liquidity and Why is it important –(Increasing your players)

More players, more money players spend, the more the poker sites becomes successful.

Liquidity in the 3 states where internet gaming is legal and why inter-jurisdictional gaming compacts will become important to States and Tribes.

- Nevada 2.7 million
- Delaware less than 1 million
- New Jersey 8.8 million
- **Combined approximately 12.4 million**

▶ Why is liquidity important to tribes.

- Small tribes, small data bases, small chance of success.
- Most legislative bills are poker only, tribes will need liquidity.
- Internet gambling is 24/7, players need to find active tables at all times.
- Integrated marketing strategies and wide brand recognition.
- Rakes, fees and holds have tight margins.
- Larger progressive jackpots for Class II games.

Launching TIGA December 2011 to March 2012

- ▶ December 2011: Started when DOJ Memo was released stating Wire Act and Unlawful Internet Gambling Enforcement Act (“UIGEA”) pertained to taking bets on sporting events only and did not prohibit States from legalizing online wagering.
- ▶ January 2012: Immediately, Wisconsin Tribes met to discuss their options on internet gaming.
- ▶ February 1, 2012, *Tribal Business Network, Inc.*, contracted to research the impact Internet Gaming would have on tribal casinos, find the benefits to tribes, create and develop a coalition strategy for tribes.
- ▶ February 2012: **Coalition efforts begin**; Rapid expansion of interest by Minnesota and Michigan Tribes.
- ▶ March 2012: **First Multi State Tribal Coalition meeting** held St. Croix Danbury Casino.

Timeline: April to October 2012

- ▶ April 2012: RFP developed and search for iGaming Platform Operators begins: (18 points from draft internet gaming bill.)
- ▶ May – July 2012: **TIGA group review proposals and presentations by eight iGaming platform operators;**
- ▶ August 2012: TIGA group completes presentations and starts comparative evaluation and cost analysis of proposals;
- ▶ September 2012: TIGA group completes evaluation and selects two finalists;
 - Site visits and due diligence done on two finalists.
 - **First multi State gaming regulators meeting held to discuss uniform internal control and technical standards;**
- ▶ October 2012: Second presentation of two finalists for platform operators.
 - Final evaluation of two finalists.
 - **TIGA group selects *C2Rewards* as preferred iGaming Platform.**

Timeline: November 2012 to October 2013

- ▶ November 2012: First Draft of Internal Controls and Technical Standards shared and reviewed by gaming regulators.
 - **Contract Negotiations begin with C2Rewards and first TIGA member Lake of the Torches Casino.**
- ▶ December 2012–January 2013: Final contract negotiations with C2Rewards.
 - **Contract signed with Lake of the Torches Casino.**
- ▶ February–March 2013: TIGA recruitment and marketing strategies begin.
- ▶ April 2013: **Jeffrey Nelson, Kanji and Katzen retained as TIGA Legal Counsel;**
 - Introduction to TIGA Treaty Agreement for multiple tribes in any state and concept of real–money wagers under existing federal law.
- ▶ May 2013: Expanded Promotion of “TIGA” Tribal Internet Gaming Alliance starts;
 - First draft Inter–Governmental Agreement “TIGA Treaty” reviewed
- ▶ July 2013: TIGA Treaty Finalized. May be viewed at <http://bit.ly/TIGAtreaty>.
- ▶ September 16, 2013; **Lake of the Torches Casino, first TIGA member goes live with Fun Play;** www.onlinelakeofthetorches.com.
- ▶ October 17, 2013: **Lac du Flambeau Chippewa becomes first tribe to ratify TIGA Treaty.**

Implementation– No reason for Tribes to re–create the wheel!

- ▶ **States Now Allowing iGaming Within Their Borders**
 - Nevada
 - Ultimate Poker (Station Casinos): www.ultimatepoker.com
 - World Series of Poker (Caesars Entertainment): www.wsop.com
 - Delaware: Launching October 31
 - New Jersey: Launching November 26

- ▶ **Multi State Lottery Association: “MUSL” (33 State Jurisdictions)**
 - Power Ball
 - Mega Millions

- ▶ **United States Horse Racing Industry: (23 State Jurisdictions)**
 - Streamlines the licensing process of the participants in live horseracing
 - Establishes uniform requirements among party states for licensing participants. (eliminates duplicity process)
 - Ensures all participants licensed pursuant to the compact meet and maintain a uniform standard of honesty and integrity.

Expansion of TIGA –Team work, tribes working together.

- ▶ Creating a competitive advantage over commercial gaming
- ▶ Poker plus liquidity equals success
- ▶ Increased chance of success, especially for smaller tribes
- ▶ Higher progressive jackpots
- ▶ Self regulation
- ▶ Exercising sovereignty thru inter-tribal compacts
- ▶ Cost sharing (legal, lobbying, technology, marketing)
- ▶ Strategic planning and lobbying strength
- ▶ Drawing more players to Indian Country

How will TIGA Operate?

- ▶ Tribes join TIGA by ratifying the inter governmental agreement under tribal law. (Treaty Agreement)
- ▶ Each tribe designates 3 representatives to sit on TIGA Treaty Council
- ▶ Treaty Council selects a Business Committee and Gaming Commission
- ▶ Business Committee will make all business decisions for the Alliance.
- ▶ TIGA Gaming Commission will license, regulate and audit the internet gaming operations
- ▶ Treaty Council will adopt rules to govern how and when to distribute net revenues to the tribes.
- ▶ No membership dues at this time. Treaty Council will determine funding mechanisms in the future.

Benefits to participating in TIGA.

- ▶ Strength in Numbers– Unified Efforts
 - Politically
 - Regulatory
- ▶ Increasing Liquidity
- ▶ Stream line licenses
- ▶ Uniform Internal Controls
- ▶ Single Regulatory Commission
- ▶ Cost Sharing. (platform, marketing, legal, etc.)
- ▶ Tribes maintain sole proprietary interest in their game.
 - No sharing of player databases.
 - Tribes manage their own market share.
- ▶ Tribes working together for the same purpose.
- ▶ Large Multi State progressive Jackpots. (Creating Player Retention and Jackpot chasers.)
- ▶ Intertribal Compacts for Class II Internet Gaming

For more information on how your tribe can follow TIGA developments

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