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VGW  
LD 2007

Good morning, Senator Hickman... Representative Supica ...and members of the Joint Standing Committee on Veterans and Legal Affairs.

Thank you for the opportunity to lend my voice today to the continued discussion about the future of interactive entertainment in Maine.

I am Lloyd Melnick, Chief Growth and Strategy Officer of VGW – the largest developer and operator of Social Plus games in the world.

I have over 30 years of experience in the Social Plus and other interactive entertainment and video gaming sectors, previously working for companies including Disney and Zynga, which you may know from Farmville or Words with Friends.

At its core, VGW is an interactive entertainment company that has disrupted the video game industry by developing new kinds of free-to-play games that have met increasing customer demand for fun, competition, and community.

By banning Social Plus games, Maine would be setting the precedent that any future interactive innovations interested in entering the state could be blocked.

Instead, Maine can now build on its momentum as an enterprising and forward-thinking state where innovators, entrepreneurs, and industry disruptors battle it out in the free market. That way the residents of Maine win through more entertainment options while creating fiscal revenue opportunities for the state..

As the pioneer of Social Plus games, VGW has always stood on its own merits against newcomers to give customers what they want at the highest of standards. We provide entertainment, and when we look at competitors it is not only Social Plus game companies, and traditional video game companies but also Netflix and Paramount and everyone else trying to entertain consumers. It should not come down to who has the most influence, but who delivers the best games and player experiences.

Since 2012, V.G.W. games have been enjoyed by millions of adults across the U.S, including many residents of Maine.

Casino-themed games are nothing new. And for those who do not want the hassle or stress of risking real money on gambling websites or land-based casinos, our games merely share mechanics with casino games without a player ever having to spend a dime. In fact, the majority of our players – most of whom are aged between 35 and 54 – never spend a penny.

Our innovative promotional tools, including sweepstakes, add to the fun and let thousands of players interact with us – and with each other – on our casino-themed

platforms every single day with activities that are not gambling. Again, most of our players never spend a penny, but have the option to do so to enhance their gameplay should they choose to, like many other online games using freemium business models.

Critical to this body, but also to us, is our player safety, security and game integrity, where we are incredibly proud of the measures and features we have developed.

Proudly, our responsible social gaming and game integrity measures and team were proactively implemented years ago— well before the legislators suchbegan to take a greater interest in Social Plus.

Our company is constantly innovating and our responsible social gameplay and proactive intervention initiatives remain our top priority.

In closing, I look forward to being a part of a continued conversation in the months and years ahead.

I thank you for your time and look forward to answering your questions.