

Sean Ostrow
Social Gaming Leadership Alliance
LD 2007

Senator Hickman, Representative Supica and Members of the Committee, Thank you for the opportunity to testify today, my name is Sean Ostrow and I am the Managing Director of the Social Gaming Leadership Alliance, an alliance of established market leaders and innovators in the Social Plus gaming space.

We rise in opposition to SP 825 in consideration today, which seeks to ban, and in fact criminalize the entire Social Plus industry, including law-abiding businesses that have operated in Maine since 2012 and provide Maine adults with safe, free and low-cost online entertainment. Banning this popular pastime would be antithetical to the policy objectives of strong consumer protection and revenue generation.

Social Plus is a subset of the popular Social Games industry, which includes casual mobile games that everyone is familiar with, including games like Words with Friends, Candy Crush, and many other card, casino and bingo games that can be played for free, but also offer purchase options that enhance gameplay.

Social Plus takes the same concept of free-to-play social games, but enhances it with opportunities to win real prizes through well-established and widely utilized sweepstakes promotions that are recognized under Maine Laws defining game promotions. Social Plus games are always free to play, and include alternative methods of entry so that no purchase is ever necessary to participate in the sweepstakes. To be clear, there is no consideration given by customers for the opportunity to win a sweepstakes prize.

Furthermore, SGLA partner companies have voluntarily established a regime of strong consumer protections including mandatory 21+ age requirements, age and identity verification, responsible social gameplay tools, advertising standards, geolocation and many other trust and safety provisions that go far beyond what comparable social casino games, including those affiliated with licensed Maine casinos, currently offer.

If the language of SP 825 is passed, the outcome will be sadly predictable – the law-abiding operators will exit the state, but illegal operators will stay and prey on unsuspecting Maine consumers. Social Plus operators that offer real consumer protections, that keep minors from playing, that protect consumer data and finances, and encourage responsible social gameplay, will be replaced by illegal offshore copycats, many of which are based in China, that use exploitative marketing techniques to trick Maine consumers and far worse. The SGLA agrees that this behavior must be stopped, but the only way to do that is through regulation, not a ban that will only widen the playing field for illegal offshore operators.

Instead of a ban, we propose common sense regulation as a more pragmatic pathway forward. Regulation would protect the games loved by thousands of Maine adults and generate upwards of \$3 million in new annual revenue for the state through a combination of sales taxes on purchases and operator registration fees. This proposal would ensure that ALL operators enforce strict age-verification restrictions to keep people under the age of 21 from participating, protect consumer data and privacy, ensure prizes can be redeemed promptly, provide clear and truthful advertising to adults only, and provide resources to ensure that customers are interacting with Social Plus games responsibly.

We ask the committee to study this issue closely, but not rush to a judgment that will ban many popular, law-abiding companies from doing business in the state. We estimate that over 50,000 Mainers regularly interact with these Social Plus games. We ask that you consider regulation, and not a counterproductive ban, as the pragmatic pathway forward. We hope to continue this productive conversation and stand ready to assist in this endeavor.