

TRAILBLAZERS

SPORTS/GAMING/ENTERTAINMENT LAW

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What was the genesis of the idea/path that has made you a trailblazer?

Necessity is the mother of invention, and this engagement proves it.

Our client, ZenSports, wanted to run a sportsbook in Nevada but it faced a serious barrier to entry. Specifically, in Nevada, a sportsbook licensee must operate a physical casino under a “non-restrictive license” which is typically limited to hotel-and-casino properties. Such properties were too large for ZenSports, an emerging company, to build or acquire and operate. Instead, we worked with ZenSports to lease the Big Wheel Casino, a “right sized” casino in Northern Nevada that has no hotel, limited amenities and a small number of slot machines. This rarely used but permitted method of entry drew close scrutiny from the regulator—among other things, ZenSports licensing hearings lasted several hours—but ultimately the Nevada Gaming Commission approved ZenSports’ license.

What sort of change has resulted from the concept?

It’s a massive win for our client, and similarly situated companies, which otherwise may not have known a pathway existed to enter the Nevada market. This roadmap effectively lowered the barrier to entry to one of the most important sports wagering markets in the U.S.

What bearing will this have on the future?

To-date, Nevada’s sportsbook market has been dominated by a handful of operators. We expect that other sportsbook operators, particularly established operators in Europe seeking entry into the Nevada market, will see ZenSports’ success and pursue a similar strategy. This will only increase competition further.