IN THE SUPREME COURT OF THE STATE OF BOYD Rose Valentina, an individual, Petitioner, Case No.: 18-0701 VS. The Royale, a Boyd corporation, Respondent. *** WRIT OF CERTIORARI GRANTED NOTICE is hereby given that the petition for writ of certiorari is hereby GRANTED, limited to the following two questions: 1. Whether under Boyd law, The Royale's iteration of Daily Fantasy Sports constitutes "gambling"? 2. If no, whether The Royale can lawfully exclude a patron, consistent with the common law, from the entirety of its property based upon the patron's method of playing a game of skill? Decision below: Valentina v. The Royale, 47 Boyd. Adv. Op. 32 (Boyd. Ct. App. 2018).

THE COURT OF APPEALS FOR THE STATE OF BOYD

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Rose Valentina, an individual,

Petitioner,

VS.

The Royale, a Boyd Corporation,

Respondent.

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Case No.: 18-CIV-940516

OPINION

Appeal from the Boyd District Court

County of Nirvana

Argued: April 1, 2018

Decided: October 31, 2018

Before Charles, Murphy, and Reyes, Appellate Division Judges.

CHARLES, J.:

I. Background and Procedural History

To say that the gaming industry is important to the state of Boyd is an understatement. Boyd welcomes over 40 million visitors from across the world each year. These visitors—here for gaming and also for the tens of thousands of trade shows hosted in the state's convention centers—are the economic lifeblood of Boyd. To accommodate these visitors, Boyd has just over 150,000 hotel rooms spread across hundreds of casinos. Boyd's casinos support over 420,000 jobs. And in 2017, Boyd casinos contributed \$53 billion to the state's economy. This figure includes not only direct economic impact, but

¹ "DFS" is shorthand for "Daily Fantasy Sports."

also the amount of money indirectly contributed to the economy via employee wages and third-party services hired by casinos. In short: gaming and conventions form the basis of Boyd's economy.

Rose Valentina is one of those 40 million visitors that Boyd welcomes each year. She is a technology consultant who visits Boyd at least four weekends each year for business, and at least two additional weekends for entertainment. Valentina attends technology tradeshows to shake hands, cultivate relationships, and engender new ones. Tradeshows are an important part of her livelihood. In October 2017, Valentina was staying at The Royale. Valentina was there to visit the 3MuchTech conference, which was slated to run October 5–7, 2017. Valentina regularly stayed at The Royale. And even while at The Royale for business, Valentina always relaxed during her stays by, for example, visiting its pool, dining at its restaurants, or watching movies in her room. When Valentina checked into her hotel on October 4, 2017, she took note of The Royale's advertised Million Dollar DFS Contest. The advertising flyer at the front desk contained a large football, surrounded by several decorative dollar signs, and the following words prominently emblazoned across the top of the ad: "ANYONE CAN PLAY! ARE YOU OUR 1 MILLION DOLLAR WINNER?"

Valentina purports to not be an avid sports fan. She states that she watches maybe five football games each year, and only when she is around friends who are fans the sport. Valentina also claims to have never played DFS. However, Valentina was understandably intrigued at the prospect of earning 1 million dollars in a single day. The cost of entering the competition was \$50.

Valentina carefully read through The Royale's rules for the game. The Royale's DFS contest allowed for a roster of nine football players. Each entrant was allowed only one lineup, consisting of athletes from professional football teams slated to play on Sunday, October 7, 2017. An entrant's lineup of athletes had to be drafted from at least three different teams. Further, each contestant was allotted a \$45,000 salary cap for their lineup.² Each real-world athlete had a designated "price," and entrants had

² The \$45,000 existed only within the competition. The entrants were not allotted actual money.

1	to allocate their salary cap to purchase a full roster of nine players. The Royale would assign a higher
2	salary to players who had a high likelihood of earning more DFS points during that week's game.
3	Conversely, The Royale assigned a lower salary for players who were not expected to perform as well.
4	The Royale did not make an athlete's historical performance data directly available to entrants. The
5	roster of players had to consist of each of the following positions:
6	One quarterback;Two running backs;
7	- Three wide receivers; - One tight end;
8	- One flex position, which must consist of one running back, wide receiver, or tight end;
9	- One Defense/Special Team
10	Entrants were unable to view other entrants' lineups. And because The Royale's rules did not provide
11	for an auto-draft option, each entrant had to manually select their roster of players.
12	Further, The Royale's rules provided that an entrant would earn or lose points according to
13	events that occurred on the field during the players' actual, real-world games. Specifically, each:
14	 Quarterback earned 4 fantasy points per passing touchdown; Quarterback earned .06 fantasy points per passing yard;
15	- Quarterback was deducted 3 fantasy points per interception;
16	 Rushing touchdown earned 7 fantasy points; Rushing yard earned .3 fantasy points;
17	 Fumble lost subtracted 5 fantasy points; Receiving touchdown earned 8 fantasy points;
18	 Receiving yard earned .4 fantasy points; Reception earned .4 fantasy points;
19	 2-point conversion earned 4 fantasy points; Punt/kickoff return for touchdown earned 7 fantasy points;
20	- Sack earned 3 fantasy points;
21	- Fumble recovery earned 4 fantasy points;
22	 Safety earned 3 fantasy points; Blocked kick earned 4 fantasy points.
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Additionally, with respect to an entrant's defense or special team, The Royale's rules provided that an entrant gained or lost points according to how many points the defense or special team "allowed." Specifically, if a special team or defense allowed:

- 0 points the entrant earned 18 fantasy points;
- 1–6 points, the entrant earned 12 fantasy points;
- 14–20 points, the entrant earned 8 fantasy points;
- 21–27 points, the entrant earned 0 points;
- **28–34 points**, the entrant subtracted **3 point**;
- 35+ points, the entrant subtracted 6 points.

The entrant whose lineup earned the most points would be declared the winner. The 1st place winner would be awarded \$1 million; 2nd place would be awarded \$100,000; 3rd place would be awarded \$60,000; 4th place would be awarded \$40,000; 5th place would be awarded \$30,000; 6th place would be awarded \$20,000; 7th place would be awarded \$15,000; 8th and 9th places would each be awarded \$10,000; 11th through 49th place would be awarded \$150; and 50th through 99th would be awarded \$100; and 100th through 500th place would be awarded \$50.

The Royale's rules stated that any person who wished to enter the competition had to enter their lineup by physically presenting themselves at the casino's sportsbook, located on the casino floor. To ensure no interstate activity took place, The Royale prohibited lineups from being entered via the internet or over the phone. Entrants could enter their lineup beginning on **Sunday**, **September 30**, **2017** at **10:00 AM**. The final opportunity to enter or modify one's lineup would be on **Sunday**, **October 7**, **2017** at **7:00 AM**.

Valentina states that on the night before the contest was slated to begin, she "researched for one hour, at most" before deciding which players would form her lineup. Valentina insists that she did not engage in any scientific analysis in deciding her lineup. Rather, Valentina states that she elected players whom she felt would perform reasonably well. On the morning of Sunday, October 7, 2017, Valentina made her way to The Royale's sportsbook and entered her lineup at 6:43 AM.

On the Sunday of the competition, there were fourteen football games—a total of twenty-eight teams played, and each boasted a roster of fifty-three players. The Royale Million Dollar DFS Contest accepted lineups from 9,892 entrants. Based on each team's performance, the best possible lineup would have earned a player 412.36 points. Valentina's roster earned her an extraordinary 399.44 points. The next-closest player earned 328.40 points.

The Royale suspects that Valentina engaged in research beyond the mere hour that she purports to have done in her hotel room the night before the competition. Instead, The Royale suspects that Valentina used sophisticated statistical models to determine what combination of nine players was likely to yield the most points.³ The Royale awarded Valentina her \$1 million prize. But based on its suspicions, The Royale informed Valentina that she was forbidden from entering onto the property, including the casino floor, the casino hotel, and the casino's convention space, for any reason whatsoever. The Royale likens Valentina's conduct to that of card-counting in the popular game "blackjack." Based on this comparison, The Royale asserts that it may lawfully exclude Valentina from its premises.

Valentina was devastated. Valentina asserts that while her winnings will certainly improve her short-term financial health, she requires access to the many technology conventions held in Boyd each year to ensure her long-term livelihood. Because most of these conventions take place at The Royale's property, Valentina argues that the exclusion jeopardizes her fiscal future. Valentina further states that she is not an avid casino player, and therefore does not require access to The Royale's casino floor. Valentina offered to return 100% of her winnings if The Royale agreed to allow her to access the convention space only, but The Royale refused the money and refused to lift the ban.

In anticipation of a then-upcoming technology convention, Valentina sought a declaratory judgment from the Boyd state trial court stating that The Royale's DFS contest was a form of "gambling" under state law. Valentina correctly asserts that if The Royale's DFS contest is in fact

³ The veracity of The Royale's suspicions is immaterial to the controversy before this court.

"gambling," then The Royale cannot lawfully bar her from the casino in connection with her conduct
during The Royale's game because the ability to exclude patrons based on their conduct while gambling
lies solely with the Boyd Gaming Control Board. *See* Boyd Rev. Stat. § 322.93. In the alternative,
Valentina sought a declaration stating that even if The Royale's activity was a game of skill—rather than
"gambling"—the common law does not permit The Royale to excise her from the property because of
her own right of public access. Alternatively, and finally, Valentina asserts that if The Royale can ban
her, it may not categorically ban her from the entirety of the property, and must instead ban her only

At the trial court level, the Boyd District Court Judge—following bench trial—agreed with The Royale in part and held: (1) that The Royale's Million Dollar DFS Contest was a game of skill; and (2) that The Royale could, consistent with the common law, lawfully exclude Valentina from the gaming floor but not from the entirety of the property. This matter comes before us because of Valentina's and The Royale's cross-appeal of that decision.

We affirm.

from the casino floor.

II. Standard of Review

We review *de novo* a district court judge's determination of whether a particular activity constitutes gambling under Boyd law. Boyd Rev. Stat. § 322.94(3). But the district court's factual determinations are reversed only if its findings are clearly erroneous or clearly against the preponderance of the evidence. *Pre-Paid Solutions, Inc. v. City of Little Rock*, 34 S.W.3d 360, 362 (Ark. 2001).

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III. Discussion

If a statute's language is clear and unambiguous, the Court must give its language is plain meaning. *Slade v. Caesers Entertainment Corporation*, 373 P.3d 74, 75 (Nev. 2016). Ultimately, the Court's task is to give effect to the legislature's intent. *Fraternal Order of Eagles Sheridan Aerie No.* 186, Inc. v. State ex rel. Forwood, 126 P.3d 847, 855 (Wy. 2006).

There is a dearth of legislative history and common law precedent in the state of Boyd. Thus, to answer the questions before us—and to select which common law analysis better comports with the Boyd legislature's objectives—the Court necessarily turns to our state's codified public policy. The Boyd legislature has declared: "The gaming industry is vitally important to the economy of this State and to the general welfare of its inhabitants." Boyd Rev. Stat. § 322.93(1). To that end, Boyd law provides that the "continued growth and success of gaming is dependent upon public confidence and trust that licensed gaming is conducted honestly and competitively." Boyd Rev. Stat. § 322.93(2). That public confidence, the Boyd legislature declares, can be "maintained only by strict regulation of all persons, locations, practices, associations, and activities related to the operation of licensed gaming establishments." Boyd Rev. Stat. § 322.93(3).

Moreover, "[t]o ensure that gaming is conducted honestly, competitively, and is free of criminal and corruptive elements, all gaming establishments in this state must remain open to the general public, and the access of the general public to gaming activities must not be restricted in any manner, except as provided in Boyd Rev. Stat. § 322.93(5)." Boyd Rev. Stat. § 322.93(4). The statute goes on to provide that "[t]he Boyd Gaming Control Board shall have the exclusive authority to exclude a patron for reasons stemming from such patron's conduct during a game that constitutes 'gambling,' as defined in Boyd Rev. Stat. § 322.94." Boyd Rev. Stat. § 322.93(5)(a). It follows, then, that if the game at issue is not "gambling," the law commands that "[n]othing in this section shall be construed to abrogate or abridge any common-law right of a gaming establishment to exclude any person from gaming activities or eject any person for any lawful reason." Boyd Rev. Stat. § 322.93(5)(b).

A. The Royale's Million Dollar DFS Contest is not "gambling" under Boyd law.

Under Boyd law, a "gambling" involves risking something of value on:

- (a) a contest where chance, rather than the skill of the player, is dominant or predominant over other factors in affecting the outcome of the game; or
- (b) a future contingent contest not under the player's control or influence.

Boyd Rev. Stat. § 322.94(1). "Skill," in turn, means "the knowledge, dexterity, or any other ability of natural persons." Boyd Rev. Stat. § 322.94(2). The parties do not contest that The Royale's entrance fee for the Million Dollar DFS Contest constitutes "something of value." Thus, the Court is left with the question of whether the contest is predominated by skill or chance, or whether the contest requires entrants to wager the entrance fee on a future contingent contest outside the player's control or influence.

1. The Royale's Million Dollar DFS Contest is predominated by skill.

The Boyd statutes leave the term "Predominant" undefined. *See* Boyd Rev. Stat. § 322.94(1)(a). Thus, the Court must give the phrase its plain and ordinary meaning. *In re Resort at Summer Litigation*, 127 P.3d 1076, 1079 (Nev. 2006). "Predominant" is an adjective, meaning "[m]ore powerful, more common, or more noticeable than others; having superior strength, influence, and pervasiveness." *Predominant*, Black's Law Dictionary (10th ed. 2014). In accordance with that plain and ordinary meaning, the Court must determine whether "chance predominates rather than skill." *Com. v. Dent*, 992 A.2d 190 (Pa. Super. Ct. 2010); *see also Dep't of Corrs. v. Workers' Comp. Appeals Bd.*, 90 Cal. Rptr. 2d 716, 720 (Ct. App. 1999) (defining the term "predominant as to all causes" as requiring "greater than 50 percent"); *Las Vegas Hacienda, Inc. v. Gibson*, 359 P.2d 85, 87 (Nev. 1961) (explaining that the "test of the character of a game is not whether it contains an element of chance or an element of skill, but which is the dominating element"); Anthony Cabot et al., *Alex Rodriguez, A Monkey, and the Game of*

Scrabble: the Hazard of Using Illogic to Define the Legality of Games of Mixed Skill and Chance, 57 Drake L. Rev. 383, 402 ("Courts that utilize the predominance test at least have a benchmark to judge these cases: a game is legal if it is greater than 50% skill and is illegal if it is greater than 50% chance.").

The Court finds *People v. Cohen* to be instructive. *People v. Cohen*, 289 N.Y.S. 397, 400 (N.Y. City Magis. Ct. 1936). There, the court determined that a slot machine called the "electric eye" was a game of skill. *Id.* The machine was coin operated and required the player to aim a pistol at a target. *Id.* The pistol emitted a ray of light, and the object of the game was to "hit the bull's eye." *Id.* Skilled timing and aim, the court held, was essential to the game. *Id.* Because the operator of the machine could develop those skills "by reason of practice," the player could ascertain the ability to hit the bull's eye. *Id.* Accordingly, the court found that the "electric eye" was a game "of skill and ability," and therefore not prohibited by law. *Id.*

Here, The Royale's Million Dollar DFS Contest is predominated by skill. To begin, entrants in The Royale's contest who expect to do well must consume a great deal of information. They must first manage their \$45,000 salary cap. In selecting their roster, for example, an entrant might choose the quarterback and tight end that are expected to perform the best in that weekend's games. But these players' salaries may well eat into nearly half of that entrant's total salary cap, as players who are expected to perform well are more expensive than other players. Thus, choosing the predictably best quarterback and tight end might leave an entrant little "money" in their salary cap to select the remaining seven players on their roster. An entrant may have more success selecting a roster comprised of players that are likely to over-perform in relation to their assigned salary.

The entrant also has a large amount of data at their disposal during roster selection. For example, statistics for quarterbacks include: passes completed, passes attempted, percentage of passes completed, yards gained by passing, touchdowns, interceptions thrown, how many times the quarterback was sacked, how many yards were lost as a result of their being sacked, yards gained per pass attempt, rushes attempted, and rushing yards gained. That amount of information is typically available for each and

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every day that player has been on the field. If an entrant digests these statistics, she can then determine which players have a higher probability of out-performing their assigned salary. And the fact that The Royale does not offer an auto-draft option means that players must conscientiously select each player. It is estimated that DFS contestants typically spend an average of 8.67 hours each week conducting research and participating in contests. Todd Easton & Sarah Newell, *Are Daily Fantasy Sports Gambling?*, Pre-press J. of Sports Analytics 1, 3 (2018).

An astute entrant will also keep abreast of media reports relating to players that they might select for their roster. For example, the media regularly reports on player injuries. And a player who sustains a minor injury during practice might not perform as well in the weekend game. Reports on injuries or other similar events would undoubtedly influence an entrant's roster choices. To be sure, an unforeseen injury in the middle of a game can result in a player sitting out the remainder of the game, and consequently not earning any points for that remainder. But that same variable of uncertainty is present in nearly every game of skill. A tennis player can, at any moment, accidentally injure herself during a match, but no one would say that this variable converts tennis from a game of skill into a game of chance.

Additionally, an entrant can also keep track of information relating to game day conditions. An entrant can review which games will be held in indoor or "domed" stadiums and what the weather is expected to be like during a game for those in outdoor stadiums. Further, the entrant might take into consideration whether a player she selected will be traveling, or whether the player will enjoy a home-field advantage.

As detailed above, an entrant can exercise as much or as little skill and deftness as she desires in approaching the Million Dollar DFS Contest. But like the activity in *Cohen*, skill is generally essential to one's success in the contest. "Skill," in the context of The Royale's contest, means digesting vast amounts of information to decide how to allocate one's salary cap. By reason of practice, an entrant increases her chances to win by adhering to a strategy in selecting her roster. Even if the Court accepts

as true Valentina's contention that she did not engage in any research before selecting her lineup, "[d]iffering skill levels" do not transform a contest of skill into "a contest of chance." *People v. Hunt*, 616 N.Y.S.2d 168, 170 (N.Y. Cnty. Crim. Ct. 1994) (finding that three-card monte was not a game of chance); *see also Humphrey v. Viacom, Inc.*, No. 06-2768 DMC, 2007 WL 1797648, at *2 (D.N.J. June 20, 2007) ("The success of a [season-long] fantasy sports team depends on the participants' skill in selecting player for his or her team").

A holding that The Royale's contest is a game of chance and therefore "gambling"—like the dissent urges—would be out-of-step with a growing mountain of evidence. For example, studies show that the majority of winnings from daily fantasy sports go to 1.3 percent of players. Andrew J. Griffin, Note, *A Fantastic Gamble: An Analysis of Daily Fantasy Sports Under the UIGEA and the Predominance Test*, 23 B.U. J. Sci. & Tech. L. 456, 474 (2017). Further, in another study, authors found that randomly generated teams were outperformed by "skilled" simulation-generated model teams in DFS football over ten weeks' worth of games. Easton, *supra.*, at 5. And in assembling thirty-five DFS teams for thirty-five different contests, not a single "unskilled" team received a payout. *Id.* at 6. The probability of this occurring, the authors emphasized, "is difficult to truly comprehend." *Id.* at 7.

The proper test to categorize the activity is not—as the dissent would hold—whether chance proximately influences the result. *See post*, at 19 (opinion of REYES, J.). The law is very clear: the statute tasks this Court with determining whether chance "predominates," not whether chance proximately influences the contest. Additionally, the dissent also errs by asserting the activity in question must be analyzed according to the abilities of the general population. *See id*. The statute commands that the Court analyze skill according to the abilities of "natural persons," not "natural persons within the general public."

In summary, DFS contests—like The Royale's—provide ample opportunity for entrants to utilize knowledge and research to succeed. "Chance" certainly plays a role in the game, too. After all, unexpected weather or injuries can have a meaningful impact on a player's performance. But nearly all

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contests—even contests like golf or swimming, which are certainly predominated by skill—are subject to the whims of chance, in some respect. Thus, we hold that The Royale's Million Dollar DFS Contest is predominated by skill, not chance.

2. The Royale's Million Dollar DFS Contest does not entail risking something of value on a future contingent contest outside the player's influence.

The majority finds White v. Cuomo informative, but we disagree with the dissent's contention that its holding should apply to our state's statute. See White v. Cuomo, 2018 WL 5984057, No. 5861-16, N.Y.S.3d (Oct. 26, 2018). There, a judge from the New York Supreme Court interpreted a New York statute that defined gambling as staking something of value on a "future contingent event," rather than a "contest." See id. at *3. It is axiomatic that the term "event"—which can encompass, for example, the "event" of a specific player's performance on the field—is narrower than the term "contest," which necessarily requires that the wager depend on the result of a contest outside the player's control.

The results of the real-world football contests are irrelevant to The Royale's contest. The Royale's Contest rules require that each entrant's roster be comprised of at least three different football teams. Because of this rule, the players on any given entrant's roster will never assemble on the same field together for the same team. A particular team could perform terribly during the game, but a DFS contestant's player could perform remarkably well and net the entrant a high amount of points. By the same token, a particular team could perform remarkably well during a game, but the DFS entrant's selected athlete could perform terribly.

The Million Dollar DFS Contest is a contest in and of itself, separate and apart from the result of any football game. The Royale's contest has its own rules, and the entrants abide by those rules to participate in a true contest. Entrants can work hard to accumulate their own points, and they pit their own rosters against the rosters of every other entrant. Once an entrant's roster is locked and the realworld games begin, the entrant has no control over how many points their lineup will earn. But the

participation in the contest occurs before the "locking" takes place. The process of selecting a roster is 1 2 3 4 5 6 7

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what renders entrants as participants in their own contest, rather than observers of someone else's. And it is immaterial that the player cedes control once they have exercised their skill. See Las Vegas Hacienda, Inc. v. Gibson, 359 P.2d 85, 87 (Nev. 1961) (explaining that the district court's holding that a hole-in-one contest is a game of skill was supported by the record because a skilled player "will get [the ball] in the area where luck will take over more often than an unskilled player"). The Royale's contest does not depend on whether a particular athlete achieves a particular goal, rather the Contest depends on how an entrant's roster fares against the rosters of every other entrant.

Accordingly, The Royale's Million Dollar DFS Contest does not require entrants to wager their entrance fee on a future contingent event outside the participant's control. And as explained in section A.1., *supra*, the Contest is predominated by skill. Thus, the Contest—and the ability to exclude a patron for their method of playing that contest—is outside the purview of the Boyd Gaming Control Board. See Boyd Rev. Stat. § 322.93(5)(a). It follows, then, that whether The Royale's exclusion of Valentina from the premises was lawful depends entirely on the scope of its common law ability to exclude patrons.

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B. The Royale's exclusion of Valentina from the entirety of the premises exceeded the scope of its common law ability to exclude patrons.

Valentina contends that even if this Court finds that The Royale's Million Dollar DFS Contest is

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not "gambling," it is unlawful for The Royale to exclude her based on her method of playing its game of skill. Alternatively, Valentina asserts that if The Royale can exclude her based on her method of playing a game of skill, it can only exclude her from the gaming floor. Thus, the issue here is twofold: (1)

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whether a casino has the authority to exclude a patron for her method of playing a game of skill; and (2)

whether the patron can be excluded from the entire premise based on her method of playing.

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1. Whether the casino or the Boyd Gaming Control Board has the authority to exclude a patron for her method of playing a game of skill.

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Boyd Rev. Stat. § 322.93 provides that "[t]he Boyd Gaming Control Board shall have the exclusive authority to exclude a patron for reasons stemming from such patron's conduct during a game that constitutes 'gambling,' as defined in Boyd Rev. Stat. § 322.94." Boyd Rev. Stat. § 322.93(5)(a). It follows, then, that if the game at issue is not a "gambling," then "[n]othing in this section shall be construed to abrogate or abridge any common-law right of a gaming establishment to exclude any person from gaming activities or eject any person for any lawful reason." Boyd Rev. Stat. § 322.93(5)(b).

The Supreme Court of New Jersey takes a narrow approach to the issue of common law exclusion. See Uston v. Resorts International Hotel, Inc., 445 A.2d 370 (N.J. 1982). In Uston, a casino excluded a card counter from the blackjack tables in its casino because of the blackjack strategy. Id. at 371. The *Uston* court found that the casino's exclusion of the patron was invalid because the gaming commission "alone has the authority to exclude patrons based upon their strategies for playing licensed casino games." *Id.* at 372. Because no commission regulation excluding card counters existed, the patron could not be excluded for counting cards. Id.; see also Donovan v. Grand Victoria Casino & Report, L.P., 934 N.E.2d 1111, 1114–15 (Ind. 2010) (holding that a gaming control board's regulations did not abrogate casino's common law right of exclusion).

As discussed above, DFS contests are games of skill. And Boyd Rev. Stat. § 322.93 gives the Board authority to exclude an individual based on her method a playing a game that constitutes "gambling." But Boyd statutes do not give that same authority to the Board for Games of Skill, and if the legislature wanted the Board to have that same authority for Games of Skill, it would have likely done so. Therefore, The Royale has the authority to exclude Valentina based on her method of playing a game of skill—the DFS competition. But the question of whether The Royale can exclude her from the entire premise must be decided.

2. Whether the casino can exclude a patron from the entire premise based on her method of playing a game of skill.

This Court is directed to follow the common law in deciding when, and under what circumstances, licensed gaming establishment can exclude a patron. Boyd Rev. Stat. § 322.93(4) provides:

To ensure that gaming is conducted honestly, competitively, and free of criminal and corruptive elements, all gaming establishments in this state must remain open to the general public, and the access of the general public to gaming activities must not be restricted in any manner, except as provided in Boyd Rev. Stat. § 322.93(5)

If that common law right to exclude is not limited in other statutory provisions, then "[n]othing in this section shall be construed to abrogate or abridge any common-law right of a gaming establishment to exclude any person from gaming activities or eject any person for any lawful reason." Boyd Rev. Stat. § 322.93(5)(b). Further, the common law distinguishes between innkeepers and place of public amusement regarding their ability to exclude a patron for any reason or no reason.

Under common law, innkeepers are obligated to serve, without discrimination, all who seek their services. *Madden v. Queens Cty. Jockey Club*, 72 N.E.2d 697, 698 (N.Y.1947). The policies behind that common law rule are rooted in history. "Inns were [once] so far and few between that travelers found themselves at the mercy of the innkeeper and were vulnerable to extortion from the innkeeper." *Slade v. Caesars Entm't Corp.*, 373 P.3d 74, 80 (Nev. 2016) (Pickering, J., dissenting).

In contrast, a place of public amusement provides entertainment, not lodging, so the law provides those establishments more authority to exclude. It is well established that a private owner of a public amusement may exclude any person for any reason from its premises. *Slade*, 373 P.3d at 76. Courts have deemed gaming establishments—such as race tracks—places of public amusement. *See, e.g., id.*; *Brooks v. Chicago Downs Ass'n, Inc.*, 791 F.2d 512, 513, 516 (7th Cir. 1986); *Madden*, 72 N.E.2d at 698. However, a hotel-casino is quite different than a race track. The Royale is a hotel, casino, and convention center. It also offers many amenities, like several hotel-casino properties in the state of Boyd, that are outside gambling, such as restaurants, theater, wedding venues, nightclubs, spas, and many more.

Thus, the issue becomes what common law duty applies to an inn that also provides gaming activities. "[U]nder common law, places of public amusement that are located within an innkeeper's premises may be subject to the same common-law duties governing innkeepers." *Slade*, 373 P.3d at 81 (Pickering, J., dissenting) (citing *Odom v. E. Ave. Corp.*, 34 N.Y.S.2d 312, 316–17 (N.Y. Sup. Ct. 1942)). A factual analysis is needed to determine what the patron's intentions were in going to the hotel-casino. *See Slade*, 373 P.3d at 81 (Pickering, J., dissenting); *Freudenheim v. Eppley*, 88 F.2d 280, 283 (3d Cir. 1937); *Alpaugh v. Wolverton*, 36 S.E.2d 906, 908–09 (Va. 1946) ("[T]he controlling factor in determining whether the relationship of innkeeper and guest has been established is the intent of the parties."). For example, in *Uston v. Airport Casino, Inc.*, the patron challenged his access to the casino because he wanted to play blackjack. 564 F.2d 1216, 1217 (9th Cir. 1977). There, the Ninth Circuit court found that "[t]he relationship was not one of innkeeper and patron, but rather one of casino owner and prospective gambler." *Id.* As a result, the innkeeper common law rule did not apply. *Id.*

Here, Valentina went to The Royale to attend a conference. The record reflects that she is not an avid gambler, but it is difficult to attend a convention without entering the casino floor—one must usually walk through the casino floor to get to the convention space. Unlike *Airport Casino*, the relationship between Valentina and The Royale was one of patron and innkeeper as well as casino owner and prospective gambler. Due to the blurred lines between the common law that apply to this factual scenario, and considering policy implications, the Court finds that the common-law innkeeper rule applies here.

Further, Boyd Rev. Stat. § 322.93(4) provides:

To ensure that gaming is conducted honestly, competitively, and free of criminal and corruptive elements, all gaming establishments in this state must remain open to the general public, and the access of the general public to gaming activities must not be restricted in any manner, except as provided in Boyd Rev. Stat. § 322.93(5).

In Boyd, a casino must remain open to the general public and access must not be restricted. Although The Royale holds the authority to exclude a patron, Boyd Rev. Stat. § 322.93(4) limits that authority.

Therefore, this Court finds that The Royale cannot exclude Valentina from the entire premise.

The Royale may exclude Valentina from participating in gaming activities without banning her from the entire property.

IV. Conclusion

It is a daunting task to select which iteration of the common law analyses to adopt for a state that, like ours, has yet to grapple with several important issues. The issues decided by this Court today go to the heart of Boyd's economy and livelihood. We are confident that our decision comports with the state's statutes and public policy.

We affirm.

REYES, J., dissenting:

Today, the majority holds that The Royale's Million Dollar DFS Contest is not gambling under Boyd law, and that The Royale's common law ability to exclude patrons is that of innkeeper-patron. I respectfully dissent from both of these holdings because they are averse to the text of the relevant statutes and Boyd's stated public policy, and because they contravene well-settled common law principles.

A. The Royale's Million Dollar DFS contest constitutes "gambling" under Boyd law 1. The Royale's Million Dollar DFS Contest is dominated by chance.

In accordance with the statutory text, the Court must determine whether The Royale's Million Dollar DFS Contest is "predominated" by skill or chance. The statute's language, however, should be interpreted as a direct reference to the well-settled common law "dominant factor" test. *See Opinion of the Justices*, 795 So.2d 630 (Ala. 2001) (collecting cases). The "dominant factor" test turns on whether chance "proximately influence[s] the final result." *State ex rel. Tyson v. Ted's Game Enterprises*, 893 So.2d 355, 374 (Ala. 2002) (quoting *State ex Inf. McKittrick v. Globe-Democrat Pub. Co.*, 110 S.W.2d 705, 717 (Mo. 1937) (en banc)). Further, "chance" must be analyzed in a "qualitative or causative sense," rather than—as the majority seems to hold today—in a quantitative sense. *See id.* at 372.

Determining whether the element of chance is present should not be measured according to "technical standards." *McKittrick*, 110 S.W.2d at 717. Instead, the measure should be decided "upon the capacity of the general public—not experts." *Id.* And the fact that skill might determine the outcome of a game is immaterial if players are "subject to defeat" because of a fortuitous event, like "the turn of the cards." *See Com. v. Dent*, 992 A.2d 190, 196 (Pa. Super. Ct. 2010).

For example, the Supreme Court of Missouri in *McKittrick* held that a puzzle contest was a game of chance under the predominant factor test because it was advertised as requiring "no special skill, training, or education." *McKittrick*, 110 S.W.2d at 717. At issue was a puzzle contest titled "Famous Names," sponsored by a newspaper. *Id.* at 706. The newspaper published a cartoon each day for eighty-

four consecutive days, and each cartoon was accompanied by a list of names. *Id.* at 706, 710. The cartoons contained several clues suggesting "the most appropriate title for a cartoon out of the list of names published thereunder." *Id.* at 710. The solutions to the puzzles were, at first, very easy to decipher. *Id.* But as the contest went on, the puzzles became more difficult and "it came to be a matter of judgment or guessing—undoubtedly guessing for the multitude of persons without special skill, training or education who had been invited by the advertising to join the contest." *Id.* (quotations omitted).

The court held that although skill might bring a contestant "to a correct solution of a greater part" of the puzzles, the puzzle was still a lottery because chance "proximately influence[d] the final result." *Id.* at 717. To that end, the court held that the determination of whether the contest was a game of skill or chance had to be analyzed from the vantage "of the nearly 70,000 persons who entered the contest in response to the advertising thereof." *Id.* The respondent in the case argued that solving the puzzles was "a science," causing the element of chance to be absent. *Id.* But the court rejected this argument because the contest was not "solely between experts." *Id.* at 718. The fact that skill would bring contestants to a correct solution in a greater number of puzzles, however, did not turn nullify the presence of chance. *Id.* at 717.

Here, The Royale's Million Dollar DFS Contest is proximately influenced—and therefore dominated by—chance. To begin, the majority emphasizes the amount of information and study that one can undertake to participate in the Contest. But the Contest requires entrants to perform based on "imperfect information." In other words, there is a limitation on how far an entrant's study can take them. See Marc Edelman, Navigating the Legal Risks of Daily Fantasy Sports: A Detailed Primer in Federal and State Gambling Law, 2016 U. Ill. L. Rev. 117, 131. The most well-studied DFS player in the world is nonetheless subject to defeat because of a fortuitous event. An entrant's selected quarterback might, for example, suffer an unexpected injury, or a "bad call" by the referee. Even worse, an entrant might lose out on the DFS points of an entire team because of events "beyond the realm of reasonable discovery," like when a football game is canceled because of a water main break. See Marc

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Edelman, Could A Water Main Break Derail the Daily Fantasy Sports Industry?, Forbes (Aug. 18, 2014), available at https://www.forbes.com/sites/marcedelman/2014/08/18/could-a-water-main-breakderail-the-daily-fantasy-sports-industry/#40bccdd5381a (last visited Dec. 22, 2018). The Royale's Contest rules require entrants to select a roster comprised of athletes from, at a minimum, three teams. Thus, an entrant can form their roster with as many as seven players from a single team. If such an entrant had selected seven players from a single team, and if that team was subsequently unable to play because of an event outside the player's control, then that entrant would be—for lack of a better phrase—out of luck.

Even putting aside, the influence of chance, however, the majority's insistence that the game be analyzed according to learned skill—rather than the skill of the general population—subverts the common law and is, put simply, bad policy. Like the newspaper in McKittrick, The Royale advertises that "ANYONE" can play their game. The Royale's advertisement leaves out, however, that to have a reasonable chance of success, the entrant would have to undertake the serious preparation outlined in the majority opinion. But the Royale's Million Dollar DFS Contest is not—as the McKittrick court would put it—"solely between experts." Instead, The Royale invites the general public to play, and then it collects the entrance fees of those unwitting entrants who do not know that their chance of success is miniscule. The Royale should not be able to have it both ways: it cannot invite the general public to play its game, and then assert that the whether the contest is a game of chance should be analyzed from the vantage point of experts. And further, well-settled common law makes clear that the dominant purpose test should be analyzed using the "average skill of a majority of players likely to play the game." 38 Am Jur 2d Gambling § 4 (2015).

The studies cited by the majority are inapplicable to the controversy before the Court. The Royale's Million Dollar DFS Contest operates on a tiered payout structure. This structure rewards the biggest prize to the player whose DFS team earned the most points, and the next-best player earns a lesser reward, until the end of the payout structure. The Easton study, however, compared the average

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points earned by an "unskilled" team against the average points earned by a "skilled" team. Todd Easton & Sarah Newell, Are Daily Fantasy Sports Gambling?, Pre-press J. of Sports Analytics 1, 5 (2018). There is no indication about how the "skilled" teams would have fared in a tiered contest, like the one at issue here. Even a highly-skilled player may not find success under The Royale's payout structure. Further, the study makes clear that it undertook an analysis to determine whether DFS "is entirely a game of chance," which is a broad categorical statement that even I, as the dissenter, disagree with. Easton, *supra*, at 4. Thus, the study does not fit the facts in the record.

Finally, the Majority's holding that DFS is a contest of skill, falling outside the purview of state regulators, breaks from the weight and momentum of authority. See Legality of Daily Fantasy Sports Under Nevada Law, Nev. Att'y Gen. Mem. (Oct. 16, 2015), https://gaming.nv.gov/modules/showdocument.aspx?documentid=10487 (last visited Dec. 22, 2018); Legality of Daily Fantasy Sports Contests, Haw. Att'y Gen. Op. 16-1 (2016), https://ag.hawaii.gov/wpcontent/uploads/2016/01/News-Release-2016-2.pdf (last visited Dec. 22, 2018); Gambling-Participation in Fantasy Sports League Violation of State Gambling Laws, Fla. Att'y Gen. Op. 91-03 (1991), http://myfloridalegal.com/ago.nsf/Opinions/9ADEF3B402960199852562A6006FB71E (last visited Dec.

Thus, in my view, The Royale's Million Dollar DFS Contest is an activity predominated by chance, and it is therefore "gambling" under Boyd law.

2. Alternatively. The Royale's Million Dollar DFS Contest requires entrants to wager something of value on a future contingent contest outside of their control.

As correctly stated by the majority, gambling under Boyd law also encompasses risking something of value on "a future contingent contest not under the player's control of influence." Boyd Rev. Stat. § 322.94(1). For many of the same reasons discussed above The Royale's Million Dollar DFS Contest clearly involves risking something of value on a future contingent contest not under the player's control or influence.

The New York Supreme Court's decision in *White v. Cuomo* directly addresses this question. *White v. Cuomo*, 2018 WL 5984057, No. 5861-16, ____ N.Y.S.3d ____ (Oct. 26, 2018). There, the Court was confronted with a DFS structure largely similar to the one before us here. *Id.* at *2. The majority seizes upon the minute detail that the New York statute prohibited wagering something of value on a "future contingent *event*", rather than "contest," but this term is a distinction without a difference. *See id.* at *3 (emphasis added).

In *White*, Judge Connolly held that DFS constituted gambling because participants "win or lose based on the actual statistical performance of groups of selected athletes in future events not under the contestants['s]... control of influence." *Id.* at *6. No amount of research or skill, the court held, can modify the fact that points are earned "based upon performances of selected athletes in events held after contests are closed." *Id.* (quotations omitted). And the fact that DFS is based on agglomerated individual performances "does not negate the fact that the wagers are placed on performance in future events not under the contestants' control of influence." *Id.*

Here, the majority impermissibly rewrites Boyd's statute. The word "result" is found nowhere in the statute. Yet the majority inexplicably holds that The Royale's Million Dollar DFS Contest is not gambling because the statute defines "gambling" as wagering something of value on "the result" of a contest.

Further, the majority reads the statute's text in an impermissibly narrow fashion. The majority believes that because an entrant can exercise a degree of skill in selecting her lineup, this must mean that she is no longer wagering on a future contingent event outside her control. But this is patently false.

Instead, the fact of skill is immaterial to the analysis. *See State v. Amboy National Bank*, 146 A.3d 188, 198 (N.J. Sup. Ct. App. Div. 2016) ("the fact that . . . the pool participants' acumen in predicting the outcome may play a role in the success of their picks is of no consequence.").

To that end, the majority engages in a series of mental gymnastics to arrive at the conclusion that The Royale's Million Dollar DFS Contest is an independent, true contest separate and apart from the

real-world football contests. The fact of the matter is that if the real-world contests do not occur, then The Royale's contest will not produce any winners. The Royale's contest is directly impacted by a future contingent event outside the control of the entrants, and outside the control of The Royale. Using the majority's reasoning, a group of individuals who place a bet on the result of a real-world football game are not wagering on a future contingent event outside their control because they are, instead, participants in their own true contest, separate and apart from the real-world game (i.e., who can guess the winner of the real-world football game).

Finally, the majority's holding is contrary to the public policy of Boyd. The legislature aimed to create a sophisticated and comprehensive statutory structure to regulate "all persons, locations, practices, associations, and activities related to the operation of licensed gaming establishments." *See* Boyd Rev. Stat. § 322.93(3). Yet the majority's holding creates a gaping hole in the protections of "the economic lifeblood of Boyd." *See ante*, at 2 (opinion of CHARLES, J.). I would instead hold that The Royale's Million Dollar DFS Contest is "gambling" under Boyd law because it is both dominated by chance and involves waging something of value on a future contingent contest outside the player's control.

B. Whether The Royale has the authority to exclude a patron based on their method of playing.

Because The Royale's Million Dollar DFS Contest is a game that constitutes "gambling," the right to exclude also changes. Boyd Rev. Stat. § 322.93 provides that "[t]he Boyd Gaming Control Board shall have the exclusive authority to exclude a patron for reasons stemming from such patron's conduct during a game that constitutes 'gambling,' as defined in Boyd Rev. Stat. § 322.94." Boyd Rev. Stat. § 322.93(5)(a). With daily fantasy sports being "gambling," the authority to exclude a patron based on her method of playing in the daily fantasy sports clearly belongs to the Gaming Control Board, not The Royale. Therefore, I would hold this case must go before the Boyd Gaming Control Board to determine whether Valentina is excluded from The Royale.

However, even assuming the majority is correct that The Royale's Million Dollar DFS Contest is a Game of Skill, I still respectfully dissent as to the scope of the common law rule that applies to The Royale's ability to exclude.

The majority opines that the innkeeper common-law rule applies to hotel-casino establishments and provides a narrower position. Case law recognizing that "the common-law right of a private owner of a public amusement to exclude any person for any reason from the premises" is overwhelming. *Slade v. Caesars Entm't Corp.*, 373 P.3d 74, 76 (Nev. 2016); *Brooks v. Chicago Downs Ass'n, Inc.*, 791 F.2d 512, 513, 516–17 (7th Cir. 1986) ("[T]he operator of a horse race track has the absolute right to exclude a patron from the track premises for any reason, or no reason, except race, color, creed, national origin, or sex."); *Ziskis v. Kowalski*, 726 F.Supp. 902, 908 (D. Conn. 1989) ("The weight of the case law upholds the common law rule that owners of places of amusement, like theaters and racetracks, are permitted to exclude patrons without cause."). Notably, not every jurisdiction follows the majority common law rule. For example, as the majority noted, the Supreme Court of New Jersey interprets the common law right to exclude narrowly. *Uston v. Resorts International Hotel, Inc.*, 445 A.2d 370, 371 (N.J. 1982). There, the court held that "the common law right to exclude is substantially limited by a competing common law right of reasonable access to public places." *Id.* However, this Court should follow the majority common law position regarding places of public amusement.

Further, Boyd Rev. Stat. § 322.93(5) provides that "[n]othing in this section shall be construed to abrogate or abridge any common-law right of a gaming establishment to exclude any person from gaming activities or eject any person for any reason." Boyd Rev. Stat. § 322.93(5). Had the Boyd Legislature wanted the innkeeper rule or a narrower common law rule to apple to hotel-casinos, it would have done so in Boyd Rev. Stat. § 322.93(5).

The majority is also concerned with the fact that hotel-casinos offer other amenities, such as "restaurants, theater, wedding venues, nightclubs, spas, and many more." Based on those amenities, the public amusement common law rule would better apply than the innkeeper rule. *See Slade*, 373 P.3d at

78–79. Additionally, the rule suggested by the majority would allow courts to parse out parts of hotel-casinos to decide whether a casino must provide a reason for exclusion or whether the casino can exclude the patron without cause. Thus, there would be no consistent application of the statutes.

Moreover, the majority discusses Boyd Rev. Stat. § 322.93(4), which provides:

To ensure that gaming is conducted honestly, competitively, and free of criminal and corruptive elements, all gaming establishments in this state must remain open to the general public, and the access of the general public to gaming activities must not be restricted in any manner, except as provided in Boyd Rev. Stat. § 322.93(5).

The *Uston* case, discussed above, also examines the issue of public access. *See Uston*, 445 A.2d at 371. Although casinos must remain open to the general public, that access is limited Boyd Rev. Stat. § 322.93(5). To uphold the policy behind BRS §§ 322.93(4) and 322.93(5), The Royale should wield the authority to exclude patrons so that the competitiveness and honestly of gaming remains intact. And that authority should extend to the entire premise. A casino is to remain open to the general public, but a casino also holds the common law right to exclude *any patron* from the premise.

Based on the foregoing, I would hold that this case should be before the Boyd Gaming Control Board. But if the majority is correct that daily fantasy sports are a Game of Skill, I would permit The Royale to exclude a patron from the entire premise for any reason, other than discriminatory or unlawful reasons.

I dissent.

1 **Appendix** 2 Boyd Rev. Stat. § 322.93 — Gaming policy; public access; common law. 3 The legislature finds, and hereby declares to be the public policy of this state, that: (1) The gaming industry is vitally important to the economy of this State and to the general 4 welfare of its inhabitants: (2) The continued growth and success of gaming is dependent upon public confidence and trust 5 that licensed gaming is conducted honestly and competitively; (3) Public confidence and trust can be maintained only by strict regulation of all persons, 6 locations, practices, associations, and activities related to the operation of licensed gaming establishments; 7 (4) To ensure that gaming is conducted honestly, competitively, and is free of criminal and 8 corruptive elements, all gaming establishments in this state must remain open to the general public, and the access of the general public to gaming activities must not be restricted in any manner, except as 9 provided in Boyd Rev. Stat. § 322.93(5); (5) Regarding the ability to exclude: 10 (a) The Boyd Gaming Control Board shall have the exclusive authority to exclude a patron for reasons stemming from such patron's conduct during a game that constitutes 11 "gambling," as defined in Boyd Rev. Stat. § 322.94; (b) Nothing in this section shall be construed to abrogate or abridge any common-law 12 right of a gaming establishment to exclude any person from gaming activities or eject any person for any lawful reason. 13 14 Boyd Rev. Stat. § 322.94 — Gambling; Skill; standard of review. (1) "Gambling" involves risking something of value on: 15 (a) a contest where chance, rather than the skill of the player, is dominant or predominant over other factors in affecting the outcome of the game; or 16 (b) a future contingent contest not under the player's control or influence. (2) "Skill" is the knowledge, dexterity, or any other ability of natural persons; 17 (3) In the interest of uniformity, whether a particular activity constitutes "gambling" is subject to de novo review. 18 19 20 21 22 23

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