

## GameLogic likes the odds for its gambling product

Waltham outfit needs state-by-state approval for Playaway offering

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**GameLogic Inc.** envisions people lounging in their living rooms playing “Grapes of Cash” on laptops by spinning bananas, grapes and watermelons with the click of a mouse. New regulatory approvals have given the company a gambling foothold in three states as it looks to spread its product nationwide.

Waltham-based GameLogic, which was founded in 2002, markets its software product Playaway to regulated casino operators who in turn market it to gamblers at their casinos. GameLogic has been mired in pending regulatory approvals in various states because its product, although not considered online gambling because of its connection to casinos, must nevertheless be approved by gambling-industry regulators on a state-by-state basis.

But now GameLogic is gaining some traction with the recent approvals by the gaming and casino control commissions in the gambling meccas of Mississippi, Nevada and New Jersey. Mississippi its approval in February, and Nevada and New Jersey issued theirs in 2005. Approvals are currently pending in Indiana and Iowa.

Playaway, which includes the game

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Steve Kane  
CEO, GameLogic Inc.

“Grapes of Cash” and many others, is accessed by purchasing a \$10 ticket with an Internet access code at a casino. It then can be used at any computer. Afterwards, a winning ticket can be redeemed back at that casino.

“The interesting thing to us is finding a legal way to touch players at home — no one’s found a legal way to do that until GameLogic,” said **Jeff Schwartz**, managing director at **Bain Capital LLC** in Boston, who acknowledged the startup’s regulatory issues were a risky proposition for a venture capital firm, but feels that the recent approvals represent huge progress. “These three states were the hardest. We think it’s going to roll out to all states pretty quickly now.”

Bain Capital led GameLogic’s \$18 million second round of venture capital funding in February along with **General Catalyst Partners** in Cambridge and **Maveron LLC** in Seattle. The amount of the earlier first round wasn’t disclosed.

The three states’ approvals have given GameLogic, a 30-person company that is not yet profitable, the green light to start marketing Playaway.

“In the business that we are in you’re really wasting your time to try and market a gaming system before it’s been approved,” said GameLogic CEO **Steve Kane**. “Even the most enthusiastic casino operator will look at you and say, ‘Come back when you’re legal.’ ”

One casino operator who has been offering Playaway for several weeks is **Jay Thiel**, vice president and general manager of the **Sands Regency Casino Hotel** in Reno, Nev. Thiel thinks there is great potential in the product, especially as more of his customers — who in general are not very Internet savvy — gain Internet access. In addition to the Sands Regency, Playaway is now offered in five casinos in Reno and Lake Tahoe.

“I think it’s a neat concept, and it’s got some potential for the future because so many people are leery of gambling. This gives them the ability to try it within the privacy of their own homes,” said Thiel. “There’s been a mediocre response to it thus far, (but) it’s very infant-stage right now.”

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