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**From:** Matthew Matsunaga [mmatsunaga@schlackito.com]  
**Sent:** Friday, February 08, 2013 12:02 PM  
**To:** JUDtestimony  
**Subject:** RE: Opposition to HB 343, Relating to Gambling Offenses

Rep. Karl Rhoads,  
Chair  
Rep. Sharon E. Har, Vice Chair



Committee on Judiciary

Friday, February 8, 2013, 2pm, Conference Room 325

I represent PJY Enterprises, LLC, a local small business that distributes the Products Direct Sweepstakes terminals. These are legitimate promotions for legitimate products (similar to Publishers Clearing House, Reader's Digest Sweepstakes, Pepsi Billion Dollar Sweepstakes and McDonalds Monopoly), and are designed to generate enthusiasm and entice customers to enter games of chance that are tied to creating awareness of and purchasing Hawaii products, such as coffee, sunglasses, t-shirts, etc. It is unfair to "criminalize" business promotions simply because the game of chance involves fun casino type games that Hawaii residents enjoy. HB 343 actually criminalizes any business promotion that involves a game of chance and any device (which could include a smart phone, tablet, laptop or desktop computer). This would likely criminalize well known and well established promotions, such as Publishers Clearing House, Reader's Digest Sweepstakes and other on-line contests.

Instead of targeting legitimate business promotions, perhaps you should criminalize those promotions that are not connected with legitimate products. I respectfully ask that, if you pass this measure, you revise it to only criminalize promotions that do NOT comply with the following requirements:

- (a) The game promotion is conducted or offered in connection with the sale, promotion, or advertisement of a bona fide product or service, or to enhance the brand or image of a supplier of bona fide consumer products or services. An item is not bona fide if it is offered at a price that is disproportionate to the value of the item purchased.
- (b) No purchase payment, entry fee, or proof of purchase is required as a condition of entering the game promotion or receiving something of value;
- (c) The chance to win by free play must be offered from the same pool from which the chance to win via purchase is drawn.

(d) All materials advertising the game promotion clearly disclose that no purchase or payment is necessary to enter and provide details on the free method of participation;

(e) In cases where electronic devices are used as the revealing mechanism, they should not be connected to a server (such as in the case of the devices used by internet sweepstakes cafes), which allows the possibility of manipulating the outcomes of the games of chance, and/or the payouts, while a customer is playing the games of chance. (There are systems currently being operated in this State, and elsewhere that have this capability.); and

(f) In cases where a "service" or usage time is being sold or promoted, any usage time, privilege to use and/or operate or credits accumulated by the customers must be allowed to be transferred or sold to any other person. (There are several sweepstakes devices being operated which sell enormous amounts of usage time, privilege to use and/or operate or credits that are allowed to be accumulated, but they do not provide any means for the customer to retain any excess; meaning there is NO data base that either the customer or the seller can use to retain or account for their purchases.)

I respectfully oppose the passage of HB 343 or alternatively ask that this Committee consider the above amendments. Thank you for this opportunity to testify.

Matthew M. Matsunaga



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