

September 25, 2025

Dear Governor Newsom,

As the top executives of the companies behind leading American gaming and entertainment platforms, we urgently request that you **veto Assembly Bill 831**. This misguided, rushed prohibition would destroy a thriving \$1 billion California industry while eliminating our companies' willingness to pay hundreds of millions in new state taxes. It would also send a chilling message about California as an investment destination and leader in innovation.

**AB 831 chooses destruction over opportunity.** Rather than banning legitimate businesses that operate legal sweepstakes under the same consumer protection laws as the likes of McDonald's Monopoly, California should embrace the revenue potential we represent.

**We are ready to pay.** Our industry stands prepared to contribute at least \$200-300 million annually in new tax revenue through proper regulation and licensing - money that could fund schools, healthcare, and infrastructure without raising taxes on California families. AB 831 would eliminate this opportunity entirely. Our approach would also offer an opportunity to codify our voluntary consumer protections including age verification, spending limits, fraud protection, and responsible social gameplay initiatives.

**The economic damage is staggering.** Research shows, AB 831 would immediately eliminate:

- **\$732 million** in annual marketing spend with California platforms like Meta and Google
- ◆ **1,200 high-paying technology jobs**
- **\$70+ million** in technology infrastructure and cloud services spending
- ◆ **Millions in current and future tax contributions**

**Californians oppose this ban.** Legislators received more than 37,000 emails, calls and tweets from California residents opposing AB 831, recognizing the difference between legitimate entertainment and gambling. Polling shows 85% of Californians prefer regulation and taxation over prohibition.

**AB 831 threatens California's tech leadership.** This legislation sends a chilling message to entrepreneurs and investors that California criminalizes innovation first and asks questions later. By threatening to prosecute major platforms like Google and Meta for offering our companies standard services, AB 831 creates dangerous precedent that could stifle emerging technologies including AI, blockchain, and digital entertainment.

**AB 831 eliminates tribal economic opportunities.** Our companies are offering to work collaboratively with tribal partners to create legitimate economic development pathways to remote tribes that don't depend on geographic advantages. Some partnerships have already been established that provide funding for much needed essential services like healthcare, education, and housing.

We stand ready to immediately begin discussions on comprehensive regulation that serves California's interests while maintaining the entertainment millions of your constituents enjoy.

Sincerely,



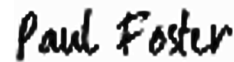
Andrew Pascal, Founder/CEO



Patrick Fechtmeyer, CEO



Laurence Escalante, CEO



Paul Foster, Director



Jeff Duncan, Executive Director



Steven Welsh, Director

