

Online Betting Co. Says 'Problem Gambler' Must Arbitrate Suit

By **Joyce Hanson**

Law360 (June 12, 2023, 7:01 PM EDT) -- An MGM Resorts online betting operation has urged a New Jersey federal judge to toss a suit by a convicted felon and self-described "problem gambler" who claims it kept luring him into gambling nonstop, saying he must arbitrate his claims.

BetMGM LLC, a partnership between MGM Resorts International and sports betting and gambling group Entain PLC, said in its Friday **motion to compel arbitration or dismiss** Sam A. Antar's suit that the gambler already agreed to a mandatory arbitration provision in its gambling platform's terms of service.

"Plaintiff Antar is a convicted felon and repeat fraudster who has pled guilty to defrauding numerous individuals out of hundreds of thousands of dollars in false stock investment schemes," BetMGM said. "Rather than accept accountability for his own actions, Antar blames BetMGM for his crimes, falsely claiming that BetMGM preyed upon his alleged gambling addiction."

The online betting firm said **Antar's May 1 amended complaint** is simply his latest scheme. Antar is merely asserting damages against BetMGM "in a transparent effort" to recoup the restitution he has been ordered to pay to victims of his state and federal fraud crimes in a rolling Ponzi scheme, according to BetMGM.

On May 17, the U.S. District Court for the Southern District of New York entered a final consent judgment against Antar, who the U.S. Securities and Exchange Commission had previously charged with defrauding investors, many of whom were his friends and acquaintances in a Syrian Jewish community in New Jersey.

The SEC's December 2019 complaint alleged that Antar engaged in a fraudulent scheme that deceived many investors out of more than \$550,000 by claiming he would invest in shares of companies that were not yet public and then sell those shares to already-identified buyers for a premium in a short period of time.

"In reality, according to the complaint, Antar never used investor funds to purchase shares of emerging companies, or to make any other investment," the SEC said in a May 19 statement. "Instead, Antar spent investor funds gambling, making gifts to family members, paying for his daughter's wedding, and making Ponzi-like payments to some early investors."

BetMGM also denied that it violated a duty of care by enticing Antar to gamble when the company supposedly should have known that he was a compulsive gambler, adding that New Jersey courts have repeatedly held that casinos aren't legally required to prevent such gamblers from placing bets.

"BetMGM was not creating or exacerbating problem gambling in Antar or any other customer," according to the motion. "To be sure, BetMGM takes problem gambling seriously, and has numerous options for persons to self-exclude or limit their play, as well as resources for assistance. However, New Jersey law does not include a common law duty to protect problem gamblers from their actions."

Antar, a self-described "problem gambler," accused BetMGM, the Borgata Hotel Casino and Spa in Atlantic City and other entities of "ceaselessly enticing" him to continue gambling via more than 1,800 text messages received during a seven-month span, according to his amended complaint filed May 1.

Antar is a resident of New York City and Long Branch, New Jersey, and says he has been diagnosed with gambling addiction disorder. Although his compulsive gambling was known to BetMGM and the Borgata, he was nevertheless designated as a VIP member of the MGM Rewards program, with an invited top-tier "noir" status, according to his suit.

Antar claims his gambling through the casino and BetMGM exceeded \$24 million, including more than \$5 million in a 16-day period in January 2020.

Antar first sued the casino and BetMGM in New Jersey Superior Court last September, but the defendants had the case removed to federal court the next day, according to the docket. Antar's amended complaint reduced the original suit's 10 counts to three — violating New Jersey's Consumer Fraud Act, negligence and unjust enrichment — and asked for unspecified compensatory and punitive damages.

With his highest-level membership status, Antar said, he enjoyed the privilege of being assigned two designated VIP "hosts," identified as Quinton Hogan and Jerry Liang. Between them, Antar said, they encouraged him to place more than 100,000 online bets from May 2019 to January 2020. In doing so, he said, they exploited his problem gambling disorder to his detriment and for the gambling companies' benefit by ceaselessly enticing him to continue his problematic behavior.

The defendants used email, phone and texts to contact Antar "on an almost daily basis," he said. One of the texts, he said, read, "Hey Sammy I need you to deposit more." They emailed Antar even more enticements in the month before he filed the amended complaint, he said.

Hogan, Liang and the other defendants did nothing to address his gambling addiction, according to Antar. Instead, he said, they provided him with constant bonuses, credits and incentives — including tickets to a suite at a New York Yankees game.

Antar's lawyer, Matthew Litt of Litt Law PC, told Law360 in an email Monday, "We disagree that any reasonable consumer could have given the clear and unambiguous assent required for a waiver of his rights to access the courthouse and a jury of his peers through the arbitration clause buried on page 18 of the 22-page terms of service underlying the defendants' motion."

Counsel for BetMGM did not immediately respond to a request for comment Monday.

Antar is represented by Matthew Litt of Litt Law PC.

BetMGM LLC is represented by Daniel E. Rhynhart, Lauren E. O'Donnell and Stephen M. Orlofsky of Blank Rome LLP.

The case is Sam Antar v. BetMGM LLC et al., case number 2:22-cv-05785, in the U.S. District Court for the District of New Jersey.

--Additional reporting by David Steele. Editing by Stephen Berg.