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## Startups

# Denver man hopes online poker system will score

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Kathleen Lavine | Business Journal

Gene Gioia (left), CEO, and Frank Wilde, director of marketing for Gioia Systems LLC, show cards from their Real Deal card-shuffling-system.

There's gambling on launching a company, and then there's Gene Gioia's startup.

The Denver entrepreneur is trying to translate his lifelong love of poker into creating a website players can trust because it deals hands based on the automated shuffling of real cards.

He came upon the idea during a career as a JD Edwards consultant who audited the installation of software systems for large companies nationwide. Gioia would unwind by playing poker online in his hotel room at night. But that was very different from sitting at a table with other players and handling real cards.

For example, his three-of-a-kind and full-house hands frequently got topped.

"I even got beat with a straight flush by a higher straight flush — things I'd never seen at a real table," Gioia said.

Audit trails and checking the integrity of things are in his blood. Gioia thought about starting his own poker site, where players could verify the authenticity of the deal.

His business idea was dormant for several years, until his daughter pointed out a 2006 newspaper article about online gambling that highlighted the financial success of a popular poker site.

She whacked Gioia with the paper and told him: “You should’ve done this,” he said.

And so he started [Gioia Systems](#) LLC. His biggest challenge was how to differentiate his site from the fast-growing number of popular Internet poker sites.

“The answer was almost instantaneous: Play with a real deck of cards,” he said.

Gioia turned to his brother, Andy Gioia, who worked for a company that made high-speed printers. They configured a machine they call the “Real Deal” to shuffle and deal cards continuously. It has the ability to transmit the results to computer servers that can manage hundreds of games simultaneously, Gioia said.

The system stores information about every hand dealt and makes it available for later audit should players want it.

That could be a big draw when tens of thousands of dollars are at stake, as they often are in online poker tournaments, Gioia said.

Gioia assembled \$1.1 million in investment from friends and family and built his company, which employs five people.

Gioia Systems plans to launch a demonstration site, [www.realdealpoker.com](http://www.realdealpoker.com), in a month, hosting games for no money.

By attracting players, Gioia hopes to secure an angel investment and fund a full-fledged poker site on servers in the British Channel island of Alderney, the host of many international online gaming website servers.

He hopes to have the poker website hosting real wager games and drawing revenue this year.

A 2006 law prohibits U.S.-based sites from handling money connected to gaming. Setting up servers overseas and accepting money only from players outside the United States avoids running afoul of the law.

Gioia has been in touch with congressional representatives, hoping to legalize online poker in the United States.

The 1 million-member [Poker Players Alliance](#) nonprofit, led by former New York Sen. Alphonse D’Amato, is leading the push, arguing that recent cheating scandals among online sites show the need for legalization and domestic regulation of the industry.

Having a trustworthy, auditable site like Gioia Systems’ in operation should help the cause, Gioia said, but his company can succeed only with overseas players.

More than half of online poker players wanted more transparency in how the games operate, according to a 2007 survey conducted by Nottingham Trent University in England on behalf of the online gaming industry's eCommerce Online Gaming Regulations and Assurance group.

Also, Gioia commissioned a survey that found 67 percent of 853 respondents who at least occasionally play poker for real money don't play poker online due to mistrust.

Having a transparent and auditable card deal could draw an enormous number of new players by overcoming the distrust of online poker today, said Frank Wilde, Gioia Systems' marketing director.

"We're not saying that these gaming sites are cheating," he said. "But they can't prove that they aren't, and that feeds the perception that's keeping people from playing online."

A shuffled, 52-card deck yields 2.6 million possible variations of hands for a five-card game (only four of them royal flushes).

Online games use random number-generating programs to virtually produce that scale of randomness.

Poker websites run largely without the hands-on oversight common to U.S. casinos, and how each site generates its deals isn't always obvious, said Bob Hannum, a University of Denver statistics professor.

Hannum consults with Nevada casinos and gaming regulators about how to ensure that gaming meets legal requirements for being random.

Hannum looked at the principles of the Real Deal system at Gioia's request.

"You can trust his shuffles to be random," Hannum said.

### ***Gioia Systems LLC***

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