

GAMING DEVICES

– From Nevada Gaming Law Third Edition

At one time slot machines were regarded as nothing more than a diversion, something to keep the wives and girlfriends of visiting gamblers occupied while the high rollers hit the craps, blackjack or poker tables. But things have changed.

With the development of new technology, particularly the microprocessor, slot and video poker machines and other electronic gaming devices became more sophisticated and appealing. The jackpots got bigger, and a new generation of gamblers evolved that was less interested in the traditional table games and more intrigued by the machines.

This growing popularity of video poker in the late 1970s and early 1980s accelerated the growth in the gaming machine industry. Slot machine revenue statewide in 1975 was \$370 million compared to \$805 million from table games according to statistics provided by the Board. Slot revenues surpassed table games eight years later, accounting for \$1.5 billion of the state's \$2.9 billion in gaming revenues.

Slot machines, in 1997, generated \$4.6 billion in gaming revenues statewide according to the Board's figures. The devices account for nearly 63% of the casino revenues from licensees with yearly revenues of more than \$1 million.¹

The growth of the slot machine industry presented state gaming regulators with numerous policy issues. Chief among them was the proliferation of machines in businesses that did not cater to the tourism industry. As a policy matter, state regulators sought to balance the desire of small businesses to capitalize on legal gambling while not allowing a proliferation of machines to cannibalize large hotel casinos that generated tourism--the backbone of Nevada's economy.

Nevada also had to wrestle with methods of controlling an industry that was undergoing changes in technology that, at times, appeared to be moving too rapidly for state regulators.

¹ See Nevada Gaming Abstract 1997 Gaming Control Board (Dec. 1997), pp. 1-3.

LICENSING OF MANUFACTURERS AND DISTRIBUTORS

A person must obtain a license to manufacture or distribute any gaming device or cashless wagering system for use or play in Nevada, or for distribution outside the state.²

MANUFACTURERS

A manufacturer is a person who makes, assembles, programs, or modifies a gaming device or a cashless wagering system. The term also includes those who design, assemble, or own the copyright to the design of a mechanism, electronic circuit, or computer program that has no practical use other than in a gaming device or a cashless wagering system.³

GAMING DEVICES

The Nevada Legislature, in 1993, expanded the definition of gaming device. The purpose of the expansion was to regulate those persons who make a substantial portion of a gaming device but less than all of it. The law now recognizes that unscrupulous persons may make components of a gaming device that can illegally alter the play of the machine.

The Gaming Control Act defines a gaming device in technical terms. It now includes:

- a slot machine (actually any gaming device)⁴;
- a collection of two or more components designated by statute;

² Nev. Rev. Stat. § 463.650(1). Likewise, any person who operates a gaming device that the Board has not approved for testing or operation is subject to disciplinary action. Nev. Rev. Stat. § 463.305. An unlicensed manufacturer may, however, display or market its devices at organized trade shows in Nevada. But, it may not sell or accept orders for such devices in Nevada. NGC Reg. 14.340.

³ Nev. Rev. Stat. § 463.0172.

⁴ A slot machine is not limited to the traditional concept of a reel machine. Nev. Rev. Stat. § 463.0191. It includes any machine that upon insertion of a coin, token, or by paying other consideration, entitles the person to have the opportunity to receive cash or prizes. This definition applies if the opportunity is based on chance or upon the skill of the operator in playing a gambling game. For example, if the gaming device emulates the game of blackjack that involves skill, it is still a slot machine because blackjack is a gambling game under Nev. Rev. Stat. § 463.0152. Thus, for example, a video poker machine is a slot machine for the purposes of the Gaming Control Act.

- one component designated by statute and another component designated by the Commission in a regulation to be adopted (a catch-all provision designed to allow the regulators to keep up with changing technology without having to seek legislative amendment);
- any mechanical, electrical, or other device that can be connected to or used with a slot machine to alter the normal criteria of random selection or affect the outcome of a game; or
- an accounting or game management system in which the result of the wager is decided electrically by using any combination of hardware or software for computers, such as keno systems that track all tickets and randomly generate the numbers chosen.⁵

Nevada statute designates the following components:

- an assembled electronic circuit that has no practical use except in a slot machine;
- a cabinet with electrical wiring and provisions for mounting a coin or token acceptor or dispenser;
- a storage medium, such as a computer chip, EPROM, CD ROM, or floppy disk, containing the source language or executable code of a computer program that has no practical use except in a slot machine;
- an assembled video display unit;
- an assembled mechanical or electromechanical display unit intended for use in gambling; or
- an assembled mechanical or electromechanical unit that has no practical use except in a slot machine.

CASHLESS SYSTEMS

Many casinos may soon go cashless or coinless.⁶ The patron would receive a credit card or other similar item at the casino cage

⁵ Nev. Rev. Stat. § 463.0155.

⁶ A cashless wagering system is technically a method of wagering and accounting in which licensee operates a computer which decides and monitors the validity and value of a wagering instrument, and maintains a record of each wager exclusive of the gaming device on which the patron is wagering. Nev. Rev. Stat. § 463.014. The Board also convinced the Legislature to require the licensing of anyone who held the copyright on a

in exchange for cash or other consideration. The patron could then insert the card in any gaming device in the casino, and play against his or her account.

If the patron wins or loses, a sophisticated computer system would track exactly how much the patron has available to gamble with. At the end of the visit, the patron can redeem the balance on his or her account at the casino cage.

The MGM Grand Hotel was one of the pioneers in the development of these systems, and now has several hundred coinless gaming devices that may be played by inserting either currency or a wagering voucher. While the MGM was licensed to develop the system, its success convinced the Board that others who might not be licensed would follow suit. The Board, therefore, suggested that the Legislature adopt a law requiring manufacturers of cashless wagering systems to obtain a license.

ASSOCIATED EQUIPMENT

Besides gaming devices, casinos have what is legally referred to as associated equipment. The technical definition is any equipment or mechanical, electromechanical, or electronic contrivance, component, or machine used remotely or directly in connection with gaming, any game, race book, or sports pool that would not otherwise be classified as a gaming device.., or a computerized system for recordation of sales for use in an area subject to the casino entertainment tax...⁷

Associated equipment includes dice, playing cards, links to connect progressive slot machines, equipment affecting the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines, and devices for weighing or counting money.

Persons manufacturing or distributing associated equipment do not need to obtain a license, although the Board must approve their products.⁸ The Commission may require manufacturers and distributors of associated equipment to file an application to

component of a gaming device. The Board felt that the holder of a copyright could unduly influence the manufacturer of gaming devices by withholding consent to requested modifications to the program.

⁷ Nev. Rev. Stat. § 463.0136.

⁸ Nev. Rev. Stat. § 463.670.

decide if they are suitable to sell equipment to the Nevada gaming industry.

LICENSING OF MANUFACTURERS AND DISTRIBUTORS

Persons unfamiliar with the gaming industry might wonder why Nevada requires manufacturers and distributors to obtain a license. After all, if Nevada tests and approves gaming devices to assure they operate honestly and properly, why worry about the manufacturers. In practice, Nevada puts manufacturers and distributors through a double wringer. First, they endure the thorough personal investigation conducted for nonrestricted gaming licenses.⁹ Second, the Board tests their machines before submission to the Commission for approval.

A reason for the increased attention given manufacturers and distributors is the arrival of the computer microprocessor to control gaming devices. Unlike old mechanical machines, alterations to the microprocessors that control the computer are more difficult to detect. Therefore, Nevada places greater reliance upon the integrity of the manufacturer and distributor.

In 1989, the Board discovered irregularities in certain poker gaming devices manufactured by a licensed manufacturer. The machines had computer programs that canceled the draw of a royal flush if the player placed the maximum wager,¹⁰ preventing the player from winning the largest jackpot.

The Board found that the manufacturer created a cheating program in a monitor chip. The computer chip that operates a monitor is not ordinarily involved in the selection of win. However, as modified, the monitor chip instructed the main computer chip to cancel the results of a royal flush. The creation of this program in the monitor chip used advanced programming skills.

While the manufacturer eventually agreed to the revocation of its licenses and paid substantial fines, the sophistication of the altered programs convinced the Board that scrutinizing the integrity of the manufacturer was essential.

EXCEPTIONS TO MANDATORY LICENSING

There are exceptions to the requirement that all sellers of gaming devices must have licenses. A lessor who specifically

⁹ NGC Reg. 14.020.

¹⁰ The manufacturer also placed programs in keno devices that would alter the random selection of numbers.

acquires gaming equipment for a capital lease does not need to obtain a license.¹¹ Only banking associations and corporations formed in Nevada or national banking associations qualified to do business in Nevada can qualify under this exception.¹²

Casinos that do not have a manufacturer's or distributor's license often wish to dispose of outdated or other gaming devices. This may be done with Board approval.¹³

When a casino goes bankrupt or a secured creditor forecloses on equipment, the gaming devices may be disposed of with Board authorization.¹⁴

Law enforcement agencies and courts of law may sell equipment in their possession, usually acquired from seizures, in a manner approved by the Board.

A gaming device repair school licensed by the State Commission on Secondary Education also may sell gaming devices in a manner approved by the Board.¹⁵

Private individuals also have the opportunity to own or lease devices. It is not unusual for Nevada homes to be adorned with antique slot machines. A person may own or lease slot machines to display in a home as long as the person does not receive compensation for playing or owning the device.

A person also can sell up to two machines a year without a license, but must obtain approval of the Board Chairman. The policy on private ownership created problems. Operators of small, illegal gaming operations in other states were able to equip their businesses with machines obtained from private individuals in Nevada. Regulations were adopted requiring the owner of machines to maintain careful records of those purchasing the devices. This allows the Board to track sales to help prevent their accumulation for the purpose of equipping illegal casinos.

APPROVAL OF NEW GAMING DEVICES

Most gaming machines in use in Nevada today are microprocessor-controlled devices, including video slot machines, video poker, and video keno.

¹¹ Nev. Rev. Stat. § 463.650(2).

¹² Nev. Rev. Stat. § 463.0139.

¹³ Nev. Rev. Stat. § 463.650(3); NGC Reg. 14.190.

¹⁴ *Id.*

¹⁵ Nev. Rev. Stat. § 463.650(5).

Even today's mechanical slot machines have microprocessors that control their operative parts. These electromechanical machines have a random number generator that decides the outcome of the game by randomly choosing the corresponding stopping point of each mechanical reel.

Before a person can manufacture, sell, or offer a gaming device for play in Nevada, the Board must inspect the device, and the Commission must approve it.¹⁶ From 1985 through mid-1989, the Commission approved 71 new gaming devices.

Until Regulation 14 was rewritten in July 1989, Nevada laws and regulations contained no stated criteria for granting such approvals. In nearly all instances, the lack of a pervasive statutory or regulatory scheme governing the approval of new gaming devices was not a problem.¹⁷

The Board brought an action against Universal Distributing involving what became known as a near-miss feature that unveiled the need for more pervasive and restrictive regulations on the approval of new gaming devices. It also was impetus for rewriting Regulation 14 a year later.

THE UNIVERSAL CASE

In its complaint against Universal,¹⁸ the Board stated that all gaming devices manufactured and distributed for use in Nevada must meet certain mathematical standards for randomness in choosing the game's outcome. The Board alleged that Universal's devices did not meet the standard for randomness.

Universal programmed its machines so that certain jackpot symbols appeared, in losing combinations, more frequently than they would through normal random selection.

Most slot machines independently select the final position of each reel, and then decide whether the combination of reels is a win or a loss. Universal's machines first decided whether the game result was a specific winning combination (for example, three 7's) or a loss, and then, if a loss, decided the positions of the reels from one of a group of tables of losing combinations.

¹⁶ Nev. Rev. Stat. § 463.670; NGC Reg. 14.030(1).

¹⁷ M. Rubinstein, Practices and Procedures in Nevada's Lab, *Casino Gaming* 25 (July/August 1988).

¹⁸ *Gaming Control Board v. Universal Distributing of Nevada, Inc.*, No. 88-4 (Nev. Gaming Comm'n) (May 5, 1988).

As a result, certain losing combinations that included jackpot symbols appeared more frequently than other losing combinations that did not include jackpot symbols. The effect was to give the player the illusion that he was nearly winning almost every time he lost. This was the origin of the label "near miss." The Board demanded that the Commission take disciplinary action, and that Universal replace or modify all near-miss machines. In response to the Board's complaint, Universal admitted the allegations concerning how the machines decided the game outcomes, but denied any wrongdoing. Universal denied that the near-miss feature represented an unacceptable manner of play. Universal argued that there was no law or regulation prohibiting its game process or requiring a process of first independently selecting the position of each reel and then deciding if the game outcome is a win or a loss.

Universal said the Board's standards for recommending Commission approval of new gaming devices were internal standards that did not rise to the level of law or regulation, and were constantly changing without notice to manufacturers.

Universal was correct in claiming there was no specific prohibition upon a near-miss feature, nor written minimum standards for gaming devices.

In a stipulation resolving the disciplinary action, Universal agreed to retrofit certain gaming devices, and agreed to allow the Commission to decide if the Universal near-miss was an acceptable feature in gaming devices. The parties also agreed that if the Commission decided that the Universal near miss was unacceptable, the Commission would have the authority to order the retrofitting of the remaining devices.

Universal's arguments in support of its machines were threefold.¹⁹ First, it argued that the near-miss feature did not decide whether the player won or lost. Instead, the feature only selected the losing combinations after the microprocessor had randomly determined that the player had lost.

¹⁹ *In the Matter of the Petition of Universal Co., Ltd. and Universal Distributing of Nevada, Inc. for a Declaratory Ruling*, No. 88-8 (Nev. Gaming Comm'n) (Oct. 13, 1988).

Second, Universal contended that other manufacturers got similar results by using reel strips with more jackpot symbols on one reel than on others.

Third, Universal argued that the near-miss devices were the most successful and popular devices in use in Nevada, and that they had not received a single patron complaint.

After receiving extensive testimony from several experts in statistics, the Commission decided that a randomly occurring near miss, such as those on a traditional reel strip machine, was acceptable. The Commission agreed with the Board's experts that the Universal near miss was not a randomly occurring near miss, and that the manipulation of a losing combination to alter the result shown to the player was unacceptable.

The final issue was whether a gaming device is random if it manipulated the losing combination to alter the result shown to the player. The Commission decided that such a device was not random.

The Commission also considered the popularity of the device, but decided the potential of long-term negative effects from non-random gaming devices outweighed the short-term benefits of this device.

The Commission ordered the retrofitting of all Universal's near-miss machines.

REGULATION 14

The Board had been working on a revision of the existing Regulation 14 governing the approval of new gaming devices. The Universal case hastened the revision process.

The Commission and Board worked diligently after the Universal decision to write and adopt an entirely new Regulation 14 for the existing regulation.

Current Regulation 14 differs greatly from its predecessor. Most noticeable are the new criteria by which the Board and Commission will judge gaming devices for approval. Most of these standards address issues raised in the Universal case.

Procedurally, the Board Chairman may approve field tests of new gaming devices without formal hearings.

Regulation 14 also includes procedures and criteria for the approval of associated equipment and new games. Separate sections below are devoted to these topics.

CRITERIA FOR APPROVAL OF A NEW GAMING DEVICE

The required criteria for a gaming device are:

- Theoretically pay out a mathematically demonstrable percentage of not less than 75%. Gaming devices such as video poker that may be affected by a player's skill must meet this standard using a mode of play that will provide the greatest return to the player over time.²⁰
- Devices must use a random selection process to decide the game outcome of each play. This process must ensure that each possible combination of symbols, cards or numbers is available at the outset of each play. No pattern of results, based on the previous game's outcome, the amount wagered, or the style or method of play, should be detectable.²¹
- Devices must display an accurate representation of the game outcome.²² In the Universal case, the Board claimed that when the Universal four-reel slot random number generator selected four blanks as the game result, the microprocessor responded by replacing two of the blanks with jackpot symbols to make the losing combination appear closer to a winning combination. Under the new standard of accurate representation, the gaming device must not, after selection of the game outcome, make a secondary decision that affects the result shown to the player.²³
- Devices must display the rules of play and payoff schedule.²⁴
- Devices must not alter pay-tables or any other function based on an internal computation of the actual hold percentage.²⁵
- Devices must meet the Board's technical standards.²⁶

²⁰ NGC Reg. 14.040(1).

²¹ NGC Reg. 14.040(2).

²² NGC Reg. 14.040(3).

²³ *Id.*

²⁴ NGC Reg. 14.040(4).

²⁵ NGC Reg. 14.040(5).

²⁶ NGC Reg. 14.040(6).

The Board adopted these standards with the input of the industry.²⁷ These standards will change over time to meet the demands of ever-changing technology. The present standards address the new devices' susceptibility to cheating, resistance to certain electrical phenomena, and ability to account for all cash or tokens passing through the device.

These standards apply to all gaming devices offered for play, including those that were in existence before Regulation 14 was adopted in 1989. The Board Chairman may, however, waive the requirement for gaming devices that existed before September 1989 if (a) the aggregate theoretical payout for all amounts wagered on gaming devices at the casino requesting the waiver is at least 75%, and (b) the casino cannot bring the device into compliance because of excessive costs or unavailability of parts.²⁸ This means that while some casinos may still have older gaming devices paying less than 75%, they cannot operate "clip joints"; that is, locations where patrons cannot have at least a 75% payback from the gaming devices overall.

PROCEDURES FOR APPROVAL OF A NEW GAMING DEVICE

Only a licensed manufacturer may apply for approval of a new gaming device.²⁹ The Board Chairman may approve a request from an applicant for a manufacturer's license to submit a new gaming device for a preliminary determination that the device meets regulatory standards.³⁰

Each application must include a "complete, comprehensive, and technically-accurate description and explanation in both technical and lay language of the manner in which the device operates, signed under penalty of perjury," plus any other information that the Board Chairman may require.³¹ The application also must include a sworn statement that to the best of the manufacturer's knowledge, the device meets all the Regulation 14 criteria for approval.³² Lastly, the application must

²⁷ NGC Reg. 14.050.

²⁸ NGC Reg. 14.040(8).

²⁹ NGC Reg. 14.030(2).

³⁰ NGC Reg. 14.030(3).

³¹ NGC Reg. 14.030(4)(a).

³² NGC Reg. 14.030(4)(b).

include a copy of all executable software on an electronically readable, unalterable media.³³

The manufacturer also must designate an employee or consultant who understands how the device functions to respond to all Board inquiries about the device.³⁴

The Chairman may require that the manufacturer provide specialized equipment or the services of an independent technical expert to help evaluate the device.³⁵ The manufacturer bears all costs of the inspection and investigation, which includes an initial deposit of \$2,000.³⁶

The manufacturer may have to ship up to two working models of the device to the Board's new game lab for inspection and evaluation.³⁷ Despite advanced technical capabilities, the new game lab requires about six weeks to evaluate a new device, often longer if the device contains an unfamiliar microprocessor. After its arrival, the lab dismantles and tests the device by invading and abusing it. Destruction of electronic components is a common result of the evaluation process.³⁸

The Board Chairman, with the guidance of the new game lab, decides whether the device meets all the criteria for approval. If so, he may order a field test at a casino of not less than 60 nor more than 180 days.³⁹ The manufacturer may request an additional 90 days beyond the maximum to allow the Board and Commission to act upon the application.⁴⁰

The manufacturer can select the location of the test, but may not play the test device.⁴¹ During the test period, the manufacturer may not modify the test device without the prior approval of the Board Chairman.⁴² The new game lab will inspect the test device immediately before and throughout the trial period to assure that

³³ NGC Reg. 14.030(4)(c).

³⁴ NGC Reg. 14.060.

³⁵ NGC Reg. 14.070.

³⁶ *Id.*

³⁷ NGC Reg. 14.070.

³⁸ NGC Reg. 14.070.

³⁹ NGC Reg. 14.080(1).

⁴⁰ *Id.*

⁴¹ NGC Reg. 14.080(4).

⁴² NGC Reg. 14.080(2).

the device receiving approval is the same one tested on the casino floor.

The casino operator compiles the results of the field trial and supplies it to the new game lab. A statistical analysis reveals the effect of the rigors of everyday play on the device. The lab also evaluates player comments, and recommends changes.

If the Board Chairman determines that the manufacturer or licensee has not complied with any of these criteria, he may end the test period.⁴³ A manufacturer may appeal a termination of a field test to the Commission.⁴⁴

After the test period, the lab sends a report of its evaluation of the device to the manufacturer.⁴⁵ The report includes the Board's explanation of the manner in which the device operates.⁴⁶ It recommends improvements in such areas as game instructions and methods of operation. The manufacturer must make appropriate corrections, clarifications, or additions, and certify that the explanation, as reported or as amended, is correct.⁴⁷

If the Board Chairman decides, based on the manufacturer's certification, that an additional evaluation is necessary, he may order a further evaluation and an additional field test of up to 60 days.⁴⁸

After completing its evaluation, the Board recommends to the Commission whether it should grant approval.⁴⁹ In making its decision, the Board and Commission consider whether approval is consistent with the public policy of the state.⁵⁰ Loosely translated, the device will pass this test if it generates revenues for the state that exceed the cost of policing its operation. The Board takes six to nine months to evaluate the field test and make recommendation on a new gaming device. Once approved by the Commission, the Board adds the device to its list of approved gaming devices.⁵¹

⁴³ NGC Reg. 14.080(3).

⁴⁴ *Id.*

⁴⁵ NGC Reg. 14.090(1).

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ NGC Reg. 14.090(2).

⁴⁹ NGC Reg. 14.100.

⁵⁰ *Id.*

⁵¹ Nev. Rev. Stat. § 463.305.

APPROVAL TO MODIFY GAMING DEVICES

With Commission approval, manufacturers and distributors may produce and sell modified versions of approved devices.⁵² A “modification” is any change that affects the manner or mode of play, including any change in the control or graphics programs of an electronic device and some changes to the theoretical hold percentage.⁵³

Some changes are not “modifications.” These include

- converting from one approved configuration or mode of play to another;
- replacing a component with another pre-approved component;
- rebuilding with approved components;
- changing the theoretical hold within the standards required of new devices; or
- changing the theoretical hold by simply changing a top award or bonus jackpot.⁵⁴

A casino (as opposed to a licensed manufacturer) must maintain complete and accurate records of the conversion of a device from one approved game configuration to another.⁵⁵

To obtain approval, a modified device must meet all the Regulation 14 criteria for approval of a new device. The Board Chairman may waive one or more of those criteria.⁵⁶

Except in an emergency, only a licensed manufacturer may modify a gaming device and only after receiving the written approval of the Board Chairman. An emergency may occur if the modification is necessary to prevent cheating or machine malfunction.⁵⁷

An application for written approval of a modification must include a complete, comprehensive, and technically accurate description and explanation of the modification in both technical and lay language, signed under penalty of perjury. The manufacturer also must submit a sworn statement that, to its

⁵² Nev. Rev. Stat. § 463.0172.

⁵³ NGC Reg. 14.010(8).

⁵⁴ *Id.*

⁵⁵ NGC Reg. 14.150.

⁵⁶ NGC Reg. 14.110(2).

⁵⁷ NGC Reg. 14.110(1).

knowledge, the modified device meets the Regulation 14 criteria for approval.⁵⁸

The manufacturer may have to ship up to two working models of the modified device to the new game lab, and provide special equipment or services to help in the evaluation.⁵⁹ The Board Chairman may decide that the modification renders the device sufficiently different from the approved device so that the modified device should be treated as a new device.⁶⁰ If the Board Chairman so determines, he will notify the manufacturer who can then apply for approval of the device as a new device.⁶¹

After the lab completes a preliminary evaluation of a modification, the Board Chairman will first decide if the device meets Regulation 14 criteria for approval.⁶² Upon a favorable determination, the Board Chairman may allow or require a field test of up to 180 days.⁶³

The procedures for the field test essentially are the same as for new devices. A further modification to a modified device during the field test requires the oral approval of the Board Chairman.

After the field test, the Board Chairman will notify the manufacturer in writing of his decision to approve or disapprove the modification.⁶⁴

GAMING DEVICES / OTHER REQUIREMENTS

All gaming devices distributed in Nevada or elsewhere must be permanently marked with the serial number required by federal law⁶⁵ and, if distributed in Nevada, the Board's approval number or modification number.⁶⁶ The manufacturer or distributor must keep written lists of each device distributed and the name, address, and telephone number of the person purchasing the device.

Before distributing gaming devices outside Nevada, a manufacturer or distributor must obtain the approval of the Board

⁵⁸ NGC Reg. 14.110(3).

⁵⁹ NGC Reg. 14.120(1).

⁶⁰ NGC Reg. 14.120(2).

⁶¹ *Id.*

⁶² NGC Reg. 14.130(1).

⁶³ *Id.*

⁶⁴ NGC Reg. 14.140.

⁶⁵ Gaming Devices Act of 1962, 15 U.S.C. § 1173.

⁶⁶ NGC Reg. 14.170.

Chairman.⁶⁷ The application must include the name, address, telephone number, social security number, and driver's license or, in their absence, the birth date of both the purchaser and the person to whom devices are being shipped.

The application must also include:

- the destination, including port of exit;
- the number of devices;
- the serial number of each device;
- the model number and year manufactured;
- the denomination of each device;
- the expected date and time of shipment;
- the method of shipment and carrier; and
- a statement by purchaser, under penalty of perjury that the device will be used only for lawful purposes.⁶⁸

Devices or parts cannot be sent to jurisdictions where the possession of a gaming device is illegal.⁶⁹

Manufacturers and distributors must register each year with the United States Attorney General.⁷⁰ They must give a copy of their registration for the following year to the Board on or before December 31.⁷¹

MAINTENANCE OF GAMING DEVICES

A casino must maintain all gaming devices in a suitable condition. The casino may not alter the operation of the devices, and must keep a written list of repairs that require replacement of parts effecting the game outcome.

A slot route operator must affix a label in a conspicuous location on each of its gaming devices that identifies the person responsible for repairs, payment of winnings and disputes.⁷²

SUMMARY SUSPENSION OF GAMING DEVICE APPROVAL

If the device does not operate as certified by the manufacturer or as approved by the gaming authorities, the Board can take

⁶⁷ NGC Reg. 14.180.

⁶⁸ NGC Reg. 14.180(1).

⁶⁹ NGC Reg. 14.180(2).

⁷⁰ Gaming Devices Act of 1962, 15 U.S.C. § 1173.

⁷¹ NGC Reg. 14.180(3). A problem with this requirement is that the United States Attorney General often does not forward the registration letter until early January. Obviously, the licensee should supply it to the Board as soon as it is received.

⁷² NGC Reg. 5.015.

drastic action. It can suspend the approval of a gaming device and, after that, seal and seize all models of the device without notice to the manufacturer, distributor, or casino.⁷³ After that action, the Board must commence a disciplinary action against the offending party.⁷⁴

REVOCATION OF A MANUFACTURER'S OR DISTRIBUTOR'S LICENSE

Manufacturers or distributors who lose their license are prohibited from doing business in Nevada. They must immediately cancel their agreements, or face disciplinary action.

This does not provide contractual liability because all contracts are deemed to include a provision for termination without liability if the Commission finds the manufacturer to be unsuitable.⁷⁵

The more difficult problem is the status of previously-approved devices. Generally, the devices do not lose their status as approved devices unless the reasons for the denial of the license also apply to that device or associated equipment.⁷⁶

APPROVAL OF PROMOTIONAL DEVICES

Promotional devices are gaming devices that are playable without requiring a wager or that always pay out an equal or greater value of cash or prizes than the amount of wager.⁷⁷ Typical of these devices are those appearing in advertisements enticing tourists to visit a particular casino to receive a "free pull" on a giant slot machine.

These devices cannot be distributed or offered for play in Nevada unless the Board Chairman approves both the promotional device and its use.⁷⁸ Applications for approval must include a comprehensive description of how the devices operate, pertinent information on the purchaser, the quantity and serial numbers of the devices offered for sale or distribution, and a

⁷³ NGC Reg. 14.220.

⁷⁴ See Chapter 14.

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ NGC Reg. 14.210.

⁷⁸ NGC Reg. 14.210(2).

statement under penalty of perjury that the buyer will use the devices only for lawful purposes.⁷⁹

If the chairman does not act on the application within 30 days of receipt of a complete application, the approval is deemed granted.⁸⁰

APPROVAL OF ASSOCIATED EQUIPMENT

As indicated in the section on Associated Equipment, *supra*, a manufacturer or distributor of associated equipment does not need to obtain a license. However, the Board must approve the equipment.⁸¹

The filing of an application initiates the approval process. The application must include information identifying the manufacturer or distributor, a comprehensive description of the equipment and its intended usage, detailed operating procedures, and the results of all equipment performance tests.⁸²

Depending on the type of equipment, the Board Chairman may require the manufacturer to send one or two working models to the new game lab for evaluation.⁸³ The Board does not require inspections of dice, playing cards, coin-wrapping machines, manual keno machines and manual fill, credit or jackpot issuing machines.⁸⁴ Inspection is mandatory for all computer-based equipment used in gaming areas, casino cages, and count rooms.⁸⁵

The manufacturer must submit associated equipment requiring an evaluation with its requisite application and information to the Board at least 60 days before its intended installation.⁸⁶ The casino licensee must supply the Board with certain documentation, including a completed "Associated Equipment Reporting Form" and any applicable internal control system amendments.

⁷⁹ NGC Reg. 14.210(3).

⁸⁰ NGC Reg. 14.210(4).

⁸¹ NGC Reg. 14.260(1); See also Nev. Rev. Stat. § 463.670.

⁸² NGC Reg. 14.260(1).

⁸³ NGC Reg. 14.270.

⁸⁴ Gaming Control Board directive to nonrestricted licensees, et al., dated August 14, 1989 ("August 14, 1989, Directive"), p. 2.

⁸⁵ *Id.*

⁸⁶ *Id.*

Once the equipment and the licensee receive preliminary approval from the new game lab, the Board permits a field test in one casino.⁸⁷ During the field test and after approval, the equipment cannot be modified without the approval of the Board Chairman.⁸⁸

Upon successful completion of the field test, the manufacturer or distributor receives written approval to sell and install the equipment in Nevada. A person cannot offer associated equipment for play in Nevada without this written approval.⁸⁹

The Board usually does not require a field test of a new or modified progressive jackpot sign controller. Instead, the Board grants approval upon successful completion of its inspection and evaluation process.⁹⁰

APPROVAL OF NEW GAMES

A licensee cannot offer a table game for play unless the Gaming Control Act defines it as a “game” or “gambling game,” or the Commission has approved it as a new game.⁹¹ Among the games listed in the definition of “game” and “gambling game” are baccarat, bingo, blackjack, chemin de fer, faro, keno, pai gow, poker, roulette, twenty-one, and wheel of fortune. The Board’s Enforcement Division has a list of approved games.

The procedure for approval of a new game is simple. The inventor or “developer” of the new game need not obtain a license. Before filing an application, the developer should arrange with a casino licensee to conduct a field test of the game.

The procedure begins with the filing of an application, which must include the name, address, social security number and driver’s license number of the developer; the name of the game, which must be different from all existing gambling games; a description of the new game, including the rules, proposed payout schedule and statistical evaluation of theoretical percentages of game outcomes;⁹² and many other items included in a Board directive entitled “New Game Evaluation Format.”

⁸⁷ *Id.*; See also NGC Reg. 14.280(1).

⁸⁸ NGC Regs. 14.280(2) and 14.300.

⁸⁹ See NGC Reg. 14.290; See also August 14, 1989, Directive, at p. 3.

⁹⁰ *Id.*

⁹¹ NGC Regs. 5.085, 14.230(1).

⁹² NGC Reg. 14.230(2).

The directive also requires a letter from a nonrestricted casino licensee agreeing to monitor and display the new game, drawings or photographs of the proposed game layout, a statement that a working model of the game is available should the game be approved for field trial, and a \$2,000 investigative deposit.

The new game lab does not evaluate the application. This is the responsibility of the Board's Enforcement Division. This Division usually consults with the lab on subjects such as the required statistical evaluation.

After evaluation, the Enforcement Division prepares a summary of the game for the Board Chairman, recommending approval or disapproval of a field trial. If the Chairman approves a field trial, he will notify the developer, who then must provide the licensee with a working model of the game.

Typically, the Board Chairman orders a field trial of 60 days, although he may order up to 180 days.⁹³ The licensee videotapes the new game during the entire field trial. It also tests the game against a "control game," usually an existing game with the most similarities in method of play.

The licensee must submit weekly statistical reports on the results of the new game and the control game, including total drop, fills, credits, and win. It also reports any patron complaints.

Because it bears the workload, the licensee receives all revenues generated by the game during the field test.

During the test period, the licensee can make only minor "in-house" modifications of the new game and only with the prior Board approval. The Board Chairman may end a field test if he finds that the developer or the licensee has not complied with the terms and conditions of the order approving the test.⁹⁴

After completion of the field test, the licensee submits a final written report summarizing its analysis of the test and recommending the game for approval, disapproval, or more field testing. Using this report, the Enforcement Division prepares a summary. The Board can either decide that it requires additional testing or give a recommendation to the Commission whether to approve the game.⁹⁵ In determining whether to approve a new

⁹³ NGC Reg. 14.240(1).

⁹⁴ NGC Reg. 14.240(2).

⁹⁵ NGC Reg. 14.250.

game, the Commission considers whether such approval is consistent with public policy.⁹⁶ This means that the game must generate more revenues to the state than it costs to police.

⁹⁶ NGC Reg. 14.250.

**NEVADA
LICENSING
FORMS**

STATE GAMING CONTROL BOARD

INSTRUCTIONS TO APPLICANTS FOR A MANUFACTURER AND/OR DISTRIBUTOR LICENSE

AN APPLICANT FOR A STATE GAMING LICENSE IS SEEKING THE GRANTING OF A PRIVILEGE AND THE BURDEN OF PROVING HIS QUALIFICATIONS TO RECEIVE SUCH A LICENSE IS AT ALL TIMES ON THE APPLICANT. AN APPLICANT MUST ACCEPT ANY RISK OF ADVERSE PUBLIC NOTICE, EMBARRASSMENT, CRITICISM, FINANCIAL LOSS, OR OTHER ACTION, WHICH MAY RESULT FROM ACTION WITH RESPECT TO AN APPLICATION, AND EXPRESSLY WAIVES ANY CLAIM FOR DAMAGES AS A RESULT THEREOF.

MANUFACTURER DEFINED

Any person that manufactures, assembles, produces, programs, or makes modifications to any gaming device or cashless wagering system for use or play in Nevada or for distribution outside of Nevada.

DISTRIBUTOR DEFINED

Any person that sells, leases, markets, offers, or otherwise distributes any gaming device or cashless wagering system for use or play in Nevada or sells, leases, or otherwise distributes any gaming device or cashless wagering system from a location within Nevada.

The following forms and items must be submitted to the State Gaming Control Board in conjunction with your application for a Manufacturer and/or Distributor License:

1. Application for Nevada Gaming License: To be filed in duplicate.
 - (a) Form 1 is to be submitted by individual applicants.
 - (b) Form 2 is to be submitted by corporations, partnerships, and limited liability companies.
2. Form 7, Multi Jurisdictional Personal History Disclosure Form: To be filed in duplicate by each corporate officer, director, member, or equity holder. The applicant agrees to provide any additional information the Board may require, e.g., birth certificate, military discharge papers, passports, litigation in which the applicant has been named as a plaintiff or defendant, income tax returns.
3. Form 7A, Nevada Supplemental Personal History Disclosure Form: To be filed in duplicate by each applicant.
4. Fingerprint Cards: Three completed fingerprint cards for each individual applicant must be submitted. Fingerprinting can be completed at any certified printing facility. Due to the FBI's chain of custody requirements, the completed fingerprint cards must be mailed by the certified printing facility directly to the Gaming Control Board, Attn: Applicant Services, 1919 College Parkway, Carson City, NV 89706.
5. Form 10, Affidavit of Full Disclosure: To be filed in duplicate by each individual required to be licensed or found suitable.
6. Form 17, Release and Indemnity of All Claims: To be filed in duplicate by each individual required to be licensed or found suitable.
7. Form 18, Request to Release Information: To be filed in duplicate by each individual required to be licensed or found suitable. If the applicant is married, the applicant's spouse must also sign this form.
8. Two copies of each of the following (as applicable):
 - (a) Partnership Agreement (Gaming language required for limited partnerships);
 - (b) Trust Agreement (Gaming language required);
 - (c) Joint Venture Agreement;
 - (d) Articles of Incorporation;
 - (e) Articles of Organization (Gaming language required);
 - (f) Business Plan.

9. A complete list of all stockholders, members, and/or partners showing the number of shares and/or interest of record held by each.
10. If the business entity is seeking initial licensing, a Statement of Pre-Opening Cash and First Year Cash Flow Projection (Form 6) must be submitted.
11. A check or money order in the amount of \$500 per applicant or entity, to cover the application fee. Checks are to be made payable to the State Gaming Control Board.
12. Costs of investigation will be charged as provided by statute and regulation. The total cost of the investigation is to be borne by the applicant. This cost includes all transportation, food and lodging; plus an hourly charge for the time expended by the agent or agents assigned to the application. Before the investigation can begin the applicant must provide a deposit in an amount equal to the total estimated expenses, including the hourly charges. Hourly expenses will be charged for travel time and for the time expended while agents are engaged in the investigation process.

NOTICE

**AN APPLICATION MAY NOT BE WITHDRAWN WITHOUT THE
PERMISSION OF THE STATE GAMING CONTROL BOARD**

APPLICATION FOR A NEVADA GAMING LICENSE

(To be typewritten or printed legibly and filed in duplicate.)

A. NAME OF APPLICANT _____

_____ Federal Tax I.D. No. _____
Name of Gaming Establishment

_____ Physical Address of Gaming Establishment

Mailing Address _____

B. If location has previously been licensed, please indicate former name.

C. Individual Applicants: (Include name, percentage of interest, and/or position.)

Attach additional sheet if necessary

D. TYPE OF LICENSE: Restricted Nonrestricted
(1-15 devices only) (over 15 devices and/or live gaming)

E. PLEASE MARK APPROPRIATE NUMBER(S):

1. New License at Location (Proposed date of opening _____)
2. Application for Interest in Existing License: _____% / Number of shares/units _____
 Purchased From: Treasury Individual Other _____
(Please specify)

3. Officer Director Key Employee _____
Title(s)
 Written Employment Agreement: Yes No (If yes, attach a copy of the agreement.)

4. Slot Route Operator (Do Not Check if Space Lease Application)

5. Manufacturer

6. Distributor

7. Finding of Suitability: Lender Landlord Other _____
(Please specify)

8. Other: (Please specify) _____

F. **NOTE: If this application is for 2, 3, or 7, signature of a present licensee is required:**

_____ Signature

_____ Name (Print) Title

G. Breakdown of Games and Gaming Devices. **To be completed when the application is for a new location:**

| <u>GAMES</u> | <u>NO.</u> | <u>TABLES</u> | <u>NO.</u> | <u>GAMING DEVICES</u> | <u>NO.</u> |
|------------------------|------------|-------------------|------------|----------------------------|------------|
| Craps | _____ | Panguingui | _____ | 5¢ | _____ |
| Roulette | _____ | Poker | _____ | 10¢ | _____ |
| Twenty-one | _____ | Other (describe): | _____ | 25¢ | _____ |
| Keno | _____ | _____ | _____ | 50¢ | _____ |
| Bingo..... | _____ | _____ | _____ | \$1 | _____ |
| Wheel of Fortune | _____ | _____ | _____ | \$5 | _____ |
| Baccarat..... | _____ | _____ | _____ | \$25 | _____ |
| Pai Gow | _____ | _____ | _____ | \$100 | _____ |
| Race Book | _____ | _____ | _____ | Multi-denominational | _____ |
| Pari-Mutuel? (Yes/No) | _____ | _____ | _____ | Other (describe): | _____ |
| Sports Pool | _____ | _____ | _____ | _____ | _____ |
| Pari-Mutuel? (Yes/No) | _____ | _____ | _____ | _____ | _____ |
| Other (describe): | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | TOTAL | _____ | TOTAL | _____ |

Progressive Slots Total _____

H. FEE(S) TO ACCOMPANY THIS APPLICATION:

STATE (To be paid to Nevada Gaming Control Board):

- (a) Restricted Application - \$150 per applicant and/or entity, plus appropriate investigative fee
- (b) Nonrestricted Application - \$500 per applicant and/or entity

COUNTY:

CITY:

NOTE: APPROPRIATE BACK-UP MATERIAL MUST ACCOMPANY THIS APPLICATION TO STATE, CITY, AND/OR COUNTY, WHERE APPLICABLE.

STATE OF _____ }
 COUNTY OF _____ } ss.

I, _____, being duly sworn, depose and say that the above

Applicant's Name

statements are true and correct to the best of my knowledge and belief and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a gaming license by a municipality, or by a county or by the State of Nevada. Further, that I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the revocation of a gaming license. Further, that I am voluntarily submitting this application under oath with full knowledge that the Gaming Control Act (NRS 463.140(5)) provides that "Any person making false oath in any matter before either the board or commission is guilty of perjury." I am voluntarily submitting this application under oath with full knowledge that I may be required to submit this application to appropriate municipal and county authorities charged by law with granting gaming licenses.

APPLICANT _____

Signature

SUBSCRIBED AND SWORN TO BEFORE ME

THIS _____ DAY OF _____, _____

Notary Public

**NOTICE
THIS APPLICATION MAY NOT BE WITHDRAWN WITHOUT THE
PERMISSION OF THE LICENSING AGENCY**

PERSONAL HISTORY RECORD

Date _____

GENERAL INSTRUCTIONS

Type an answer to every question. If a question does not apply to you, so state with N/A. If space available is insufficient, continue on page 10 or use a separate sheet and precede each answer with the appropriate title. Do not misstate or omit any material fact(s) as each statement made herein is subject to verification. Applicant must initial each page, as provided in lower right hand corner. By placing his/her initials on each page, the applicant is attesting to the accuracy and completeness of the information contained on that page.

All applicants are advised that this Personal History Record is an official document and misrepresentation or failure to reveal information requested may be deemed to be sufficient cause for the refusal or revocation of a license/approval.

All applicants are further advised that an application for a gaming license, finding of suitability, or for other action may not be withdrawn without the permission of the licensing agency.

Application for: _____
Nature of License or Finding of Suitability Desired

Name and Address of Establishment for Which License is Requested

Name Under Which it is Now Operated

1. PERSONAL INFORMATION:

| | | |
|---|------------|-------------|
| Last Name (Include Sr., Jr., etc., if applicable) | First Name | Middle Name |
|---|------------|-------------|

Alias(es, Nicknames, Maiden Name, Other Name Changes, Legal or Otherwise)

| | | | | |
|---|--------|-----------|-------|----------|
| Home Address: Since _____ (Date) | Apt. # | City/Town | State | Zip Code |
| Mailing Address (If Different Than Home Address) | Apt. # | City/Town | State | Zip Code |
| Present Business Name/Address: Since _____ (Date) | | City/Town | State | Zip Code |

| | |
|--|---------------------------|
| Telephone Numbers: Residence: (____) _____ - _____ Business: (____) _____ - _____ Cellular: (____) _____ - _____ Fax: (____) _____ - _____ | Occupation |
| | E-Mail Address (Optional) |

| | | | |
|--------------------------------|-----|------------------------------------|------------------------|
| Date of Birth (Month/Day/Year) | Age | Place of Birth (City/County/State) | Social Security Number |
|--------------------------------|-----|------------------------------------|------------------------|

| | | | | | | |
|-----|---------------|---------------|------------|--------|--------|-------|
| Sex | Color of Eyes | Color of Hair | Complexion | Height | Weight | Build |
|-----|---------------|---------------|------------|--------|--------|-------|

Scars, Tattoos, or Distinguishing Marks and/or Characteristics

Are you a citizen of the United States? Yes No

If you are a naturalized citizen of the United States or a non-citizen, you must attach a copy (front and back) of any Certificate of Naturalization, Resident Alien Card, Permanent Resident Card, Employment Authorization Document/Card, Refugee Travel Document, Form I-94, or other U.S. travel and identity document, as applicable, **AND** a copy (front and back) of your driver's license.

2. MARITAL INFORMATION:

Single Married Separated Divorced Widowed Engaged

Applicant's Initial _____

MARITAL INFORMATION – Continued

A. Current Marriage:

| | | | | | |
|---|--|---------------------------|------------------------|------------|----------------|
| Date of Marriage | | Place (City/County/State) | | | |
| Spouse's Full Name (Maiden) | | | Social Security Number | | |
| Date of Birth | | Place of Birth | | | |
| Residence Address | | Apt. # | City/Town | | State Zip Code |
| Telephone Residence (____)____-____ Business (____)____-____ | | | | | |
| Spouse's Employer | | | | Occupation | |
| Address of Employer | | | City | | State Zip Code |

B. Previous Marriages: If ever legally separated, divorced, or annulled, indicate below:

| Name of Spouse | Date of Order or Decree | Date and Place of Marriage | Nature of Action | City/County/State |
|----------------|-------------------------|----------------------------|------------------|-------------------|
| | | | | |
| | | | | |
| | | | | |

List the names and current address of previous spouses:

| Name | Street | City | Address | | | Telephone |
|------|--------|------|---------|-----|--|-----------------|
| | | | State | Zip | | (____)____-____ |
| | | | | | | (____)____-____ |
| | | | | | | (____)____-____ |

3. FAMILY INFORMATION:

A. Children and Dependents:

List all children, including step-children and adopted children and give the following information:

| Name | Birth Date | Birth Place | Residence Address |
|------|------------|-------------|-------------------|
| | | | |
| | | | |
| | | | |
| | | | |

B. Child Support Information:

Please mark the appropriate response:

- I am not subject to a court order for the support of a child.
- I am subject to a court order for the support of one or more children and am in compliance with a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order; or
- I am subject to a court order for the support of one or more children and am NOT in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

Applicant's Initial _____

FAMILY INFORMATION – Continued

District attorney or public agency responsible for enforcing the child support order:

Name _____

Address _____

Contact Person _____

C. Parents:

List names, residence address, dates of birth, and most recent occupations of parents, parents-in-law, or legal guardian. If retired or deceased, list last address and occupation.

| Name (Maiden) | Birth Date | Address | Occupation |
|---------------|------------|---------|------------|
| Father | | | |
| Mother | | | |
| Father-in-Law | | | |
| Mother-in-Law | | | |

D. Brothers and Sisters:

List names, residence address, dates of birth, and most recent occupations of brothers and sisters and of their respective spouses.

| Name (Maiden) | Birth Date | Address | Occupation |
|---------------|------------|---------|------------|
| Spouse | | | |
| Spouse | | | |
| Spouse | | | |
| Spouse | | | |

4. EDUCATION:

| Name of School | Location | Dates Attended | Graduate |
|---------------------|----------|----------------|--|
| Grammar School | | | |
| Junior High School | | | |
| High School | | | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| College/ University | | | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Other | | | |

Type of degree obtained, if any _____

College or University where obtained _____

Applicant's Initial _____

5. MILITARY INFORMATION:

- A. Have you registered for the Selective Service? Yes No
 County _____ State _____ Date registered _____
- B. Have you ever served in any armed forces? Yes No
 Branch _____ Date of entry – active service _____
 Date of separation _____ Type of discharge _____
 Rating at separation _____ Serial number _____
 While in the military service were you ever arrested for an offense which resulted in summary action, a trial, or special or general court martial? Yes No
 If yes, furnish details on page 10. (List all incidents regardless of where they occurred – foreign or domestic.)

6. ARRESTS, DETENTIONS, LITIGATIONS, ARBITRATIONS, and BANKRUPTCY: (Include those arrests in which you were not convicted.)

- A. Have you ever been arrested, detained, charged, indicted, or summoned to answer for any criminal offense or violation for any reason whatsoever, regardless of the disposition of the event? (Except **minor** traffic citations.) Yes No
 If yes, give details in the space provided below **AND** attach a full written narrative of your recollection of each event.
 List all cases without exception.

| Date of Arrest | Age | Charge | Location – City and State | Disposition and Date | Arresting Agency |
|----------------|-----|--------|---------------------------|----------------------|------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

- B. Has a criminal indictment, information, or complaint ever been returned against you, but for which you were not arrested or in which you were named as an unindicted co-party? Yes No If yes, furnish details on page 10.
- C. Have you ever been questioned or deposed by a city, state, federal, or law enforcement agency, commission or committee? (Except Nevada Gaming Control Board and Commission.) Yes No If yes, furnish details on page 10.
- D. Have you ever been subpoenaed to appear or testify before a federal, state, or county grand jury, board or commission? Yes No If yes, furnish details on page 10.
- E. Have you ever been subpoenaed to testify for any civil, criminal, or administrative proceeding or hearing? Yes No If yes, furnish details on page 10.
- F. Have you ever had a civil or criminal record expunged or sealed by a court order? Yes No
 If yes, when?: _____ city, county, and state _____
- G. Have you ever received a pardon or deferred prosecution for any criminal offense? Yes No
 If yes, when?: _____ city, county, and state _____
 If your answer to question 6F or 6G is yes, furnish details on page 10.
- H. Has any member of your family or of your spouse's family ever been convicted of a felony? Yes No
 If yes, complete the following:

| Name | Relationship | Charge | Location | Date |
|------|--------------|--------|----------|------|
| | | | | |
| | | | | |
| | | | | |

Applicant's Initial _____

ARRESTS, DETENTIONS, LITIGATIONS, ARBITRATIONS, and BANKRUPTCY – Continued

I. Have you, as an individual, member of a partnership, or owner, director, or officer of a corporation, ever been a party to a lawsuit as either a plaintiff or defendant or an arbitration as either a claimant or respondent? (Other than divorces.)
 Yes No If yes, give details below. List all cases without exception.

| Plaintiff/Defendant or Claimant/Respondent | Date Filed | Court and Case Number | City, County, and State | Disposition/Date |
|--|------------|-----------------------|-------------------------|------------------|
| | | | | |
| | | | | |
| | | | | |

J. Has any general partnership, business venture, sole proprietorship, or closely held corporation (while you were associated with it as an owner, officer, director, or partner) been a party to a lawsuit, arbitration, or bankruptcy?
 Yes No If yes, give details below. List all cases without exception.

| Name of Entity | Type of Entity | Approximate Date(s) of Lawsuit/Arbitration/Bankruptcy |
|----------------|----------------|---|
| | | |
| | | |

K. Have you personally ever been adjudicated bankrupt or filed a petition for any type of bankruptcy, insolvency, or liquidation under any bankruptcy or insolvency law in any jurisdiction?
 Yes No If yes, complete the following:

| Date Filed | Docket/Case Number | Court | City, County, and State | Disposition/Date |
|------------|--------------------|-------|-------------------------|------------------|
| | | | | |
| | | | | |

7. RESIDENCES:

Beginning with your current residence, list all residences you have had for the last 25 years:

| Month and Year (From – To) | Street and Number | City | State or County |
|----------------------------|-------------------|------|-----------------|
| - | | | |
| - | | | |
| - | | | |
| - | | | |
| - | | | |
| - | | | |
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| - | | | |
| - | | | |
| - | | | |
| - | | | |
| - | | | |

8. EMPLOYMENT:

A. Beginning with your current employment, list your work history, all businesses with which you have been involved, and/or all periods of unemployment for the last 25 years.

| | | | |
|------------------------------------|---|--------------------|---|
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Month and Year (From – To) - | Name/Mailing Address of Employer/Business | | Reason for Leaving |
| Title | Description of Duties | Name of Supervisor | Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/> |

If additional space is needed, continue on page 10 or provide attachment.

Applicant's Initial _____

EMPLOYMENT – Continued

B. List all corporations, partnerships, limited liability companies, or any other business ventures with which you have been associated as an officer, director, stockholder, member, or related capacity, for the last 25 years.

Note: List only those entities not previously disclosed in section 8A, above.

| | | |
|------------------------------------|---|-----------------------|
| Month and Year (From – To) - | Name and Address of Firm, Corporation, or Other Business Entity | Reason for Leaving |
| Title of Office or Position Held | | Description of Duties |
| Month and Year (From – To) - | Name and Address of Firm, Corporation, or Other Business Entity | Reason for Leaving |
| Title of Office or Position Held | | Description of Duties |
| Month and Year (From – To) - | Name and Address of Firm, Corporation, or Other Business Entity | Reason for Leaving |
| Title of Office or Position Held | | Description of Duties |

If additional space is needed, continue on page 10 or provide attachment.

9. CHARACTER REFERENCES:

List five character references who have known you five years or more. Do not include relatives, present employer, or employees.

| Name and Where Employed | Street, City, State, Zip Code | Telephone | Years Known |
|-------------------------|-------------------------------|-----------|-------------|
| Name | Home | () - | |
| Employer | Business | () - | |
| Name | Home | () - | |
| Employer | Business | () - | |
| Name | Home | () - | |
| Employer | Business | () - | |
| Name | Home | () - | |
| Employer | Business | () - | |
| Name | Home | () - | |
| Employer | Business | () - | |

10. Do you have any safe deposit box or other such depository, access to any depository, or do you use any other person's depository? Yes No

If yes, complete the following:

| Box Number or Type of Depository | Location | City and State | Authorized Users |
|----------------------------------|----------|----------------|------------------|
| | | | |
| | | | |

11. Have you ever held a privileged or professional license in any state, including but not limited to the following:

- | | | | | |
|--------------------------------|-----------------|---------------------------|-------------------|-----------|
| Liquor | Lawyer | Race horse/race dog owner | Securities dealer | Insurance |
| Real estate broker or salesman | Doctor | Jockey | Contractor | Gaming |
| Accountant | Boxing promoter | Trainer or manager | Pilot | |
- Yes No

If yes, state type, where, years held, and the nature of any disciplinary actions taken against you:

12. Have you ever applied for a gaming license or held a financial interest or gaming license in a gambling venture, including a race track, dog track, race horse or dog, lottery, casino, bookmaking operation, or pari-mutuel operation, OUTSIDE the State of Nevada? Yes No

If yes, state type, when and where and give names and locations of the businesses in which you were involved, the names and addresses of all partners and the agency responsible for regulating the gambling venture:

13. Have you ever appeared before any licensing agency or similar authority in or outside the State of Nevada, for any reason whatsoever? Yes No

If yes, state what agency, where, when, and for what reason:

14. Have you ever been refused a gaming or liquor license or related finding of suitability or been a participant in any group which has been denied a gaming or liquor license or related finding of suitability? Yes No

If yes to either of the above, state where, when, and for what reason:

15. Have you ever been granted a gaming license or been a participant in any group which has been issued a gaming license by the State of Nevada? Yes No

If yes, state type of license, name of establishment, location, and period held:

16. Do you have any relatives associated with or employed in the gaming or liquor industry? Yes No

If yes, state name, relation, and association or employment:

17. If currently or previously employed in Nevada gaming, give dates and places of issuance of work permits.

ATTACH PHOTOGRAPH
TAKEN WITHIN LAST 30
DAYS HERE

STATE OF _____ }
COUNTY OF _____ } ss.

I, _____, (Applicant's Name) being duly sworn, depose and say that I have read the foregoing application and know the contents thereof; that the statements contained herein are true and correct and contain a full and true account of the information requested; **that I executed this statement with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for denial or revocation of a state gaming license**; that I am voluntarily submitting this application with full knowledge that Nevada Revised Statutes 463.140(5) provides "any person making false oath in any matter before either the Board or Commission is guilty of perjury."; and, further, that I have familiarized myself with the contents of the Nevada Gaming Control Act, as amended, and the Regulations of the Nevada Gaming Commission as promulgated thereunder and agree, if licensed, to abide thereby.

I hereby expressly waive release, and forever discharge the State of Nevada, the licensing agency and their agents from any and all manner of action and causes of action whatsoever which I, my administrators or executors can, shall, or may have against the State of Nevada, the licensing agency and their agents, as a result of my applying for a gaming license in the State of Nevada.

Signature of Applicant

SUBSCRIBED AND SWORN TO BEFORE ME

THIS _____ DAY OF _____, _____

Signature of Notary Public

(SEAL/STAMP)

CERTIFICATION OF FORM

Nevada Gaming Regulation 10.010 requires that every attorney, certified public account, or other agent who prepares this document on behalf of the applicant be properly enrolled with the Commission. Regulation 10.110 requires any such representative to certify such document. If this document was prepared by such a representative, please have that person complete the following:

I, _____, (Representative's Name) do hereby certify that I am enrolled to practice before the Nevada Gaming Commission and am fully knowledgeable of my responsibilities under Regulation 10. I further certify that I have prepared this document on behalf of the applicant in conformity with the Nevada Gaming Control Act and the Regulations of the Nevada Gaming Commission.

(Signature of Attorney, C.P.A. or Agent)

(Business Address)

(Telephone)

Applicant's Initial _____

STATE OF NEVADA
GAMING CONTROL BOARD



NEVADA SUPPLEMENTAL PERSONAL HISTORY DISCLOSURE FORM

NONRESTRICTED GAMING LICENSE

OR

NONRESTRICTED KEY EMPLOYEE GAMING LICENSE

**STATE OF NEVADA
ADDENDUM TO FORM 7**

PERSONAL HISTORY MULTI-JURISDICTIONAL DISCLOSURE FORM
This Addendum to be submitted in conjunction with Form 7

APPLICANT INFORMATION

1. _____
Last Name First Name Middle Name

Occupation Social Security Number
2. Name of location for which you are to be licensed, registered, or found suitable.

Name of Legal Entity Address of Legal Entity

Position % of Interest
3. Are you a citizen of the United States? Yes No
a. If a non-citizen, Registration No.: _____
b. If Naturalized, Certificate No: _____ Date _____
Place _____
(Documentation will be necessary)
4. Have you ever had a civil or criminal record expunged or sealed by a court order?
 Yes No
Jurisdiction: _____
Date: _____
Charge/Complaint: _____
Case Number: _____
Disposition: _____
5. Have you registered for the draft? Yes No
County _____ State _____ Date _____
6. Amount of Personal Investment in business \$ _____
Source of Investment _____
7. Has your interest in this gambling establishment been assigned, pledged or hypothecated to any person, firm, or corporation, or has any agreement been entered into whereby your interest is to be assigned, pledged or sold either in part or in whole? Yes No
8. Has your Federal Income Tax Return ever been audited? Yes No
Tax Year: _____
Audit Year: _____
Office Conducting Audit: _____

9. Last Federal Income Tax Return was filed _____
 Date _____
 For Tax Year: _____

Applicants are advised that Federal Income Tax Returns will be required.

10. Has any member of your family or of your spouse's family ever been convicted of a felony?
 Yes No If yes, complete the following:

| Name | Relationship | Charge | Location | Date | Disposition |
|------|--------------|--------|----------|------|-------------|
| | | | | | |
| | | | | | |
| | | | | | |

SPOUSE INFORMATION

11. _____
 Last Name First Name Middle Name

 Occupation Social Security Number

 Current Employer

12. Is your spouse a citizen of the United States? Yes No
 a. If a non-citizen, Registration No.: _____
 b. If Naturalized, Certificate No: _____ Date _____
 Place _____
 (Documentation will be necessary)

STATE OF _____ }
COUNTY OF _____ } ss.

I, _____, (Applicant's Name) being first duly sworn, depose and say under the penalty of perjury that I have read the foregoing Form 7 and this Addendum (sometimes collectively referred to as Application) and know the contents thereof; that all statements and information of whatever kind and nature contained within the Application have been personally reviewed by me and are true and correct and contain a full account of all information requested; that I have not omitted or otherwise failed to state a material fact necessary to make the facts and statements presented within the Application not misleading; that I executed this statement with the knowledge that any untrue or misleading fact or statement or the failure to reveal all of the information requested may in itself, be sufficient to cause adverse action to be taken with regards to my Application, to and including denial, as well as revocation and/or other forms of disciplinary action against any license, approval, finding of suitability, or registration I may have been previously granted; that I am voluntarily submitting this Application with full knowledge that Nevada Revised Statutes 463.140(5) provides "[a]ny person making false oath in any matter before the Board or Commission is guilty of perjury."; and, further, that I have familiarized myself with the contents of the Nevada Gaming Control Act, as amended, and the Regulations of the Nevada Gaming Commission as promulgated thereunder and agree, if granted the license[d], registration, finding of suitability, or approval requested, to abide thereby.

In consideration of the assurance that no vote will be taken by the Board and/or Commission except after a deliberate, intensive and thorough investigation of the facts and circumstances surrounding this Application, I, for myself, as well as for my heirs, executors, administrators, successors, and assigns, hereby release and forever discharge the State of Nevada, the State Gaming Control Board, the Nevada gaming Commission, the Nevada Attorney General and each of their members, agents, and employees in their individual and representative capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever known or unknown, in law or equity, that I have, ever had, may have, or claim to have against any and all of the persons or entities named in this paragraph, arising out of, or by reason of, the investigation of the facts and circumstances surrounding, or in any way relating to, this Application, any action or inaction taken or not taken as a result of, or to, this Application, or any person or entity associated or related therewith, as well as any adverse publicity, public notice, embarrassment, criticism, or financial loss which may result from, or be caused by, any of the above actions or inactions, persons or entities.

I understand that this Application requesting action by the State Gaming Control Board and/or Nevada Gaming Commission, may not be withdrawn without the prior approval of the Board, and that by filing this Application, I consent to the making of a decision by the Board and/or Commission on this Application, at their election, even if this Application becomes moot for any reason other than my death.

Print/Type Name of Applicant

Signature of Applicant

SUBSCRIBED AND SWORN TO BEFORE ME

THIS _____ DAY OF _____, _____

Signature of Notary Public

(SEAL/STAMP)

CERTIFICATION OF FORM

Nevada Gaming Regulation 10.010 requires that every attorney, certified public account, or other agent who prepares this document on behalf of the applicant be properly enrolled with the Commission. Regulation 10.110 requires any such representative to certify such document. If this document was prepared by such a representative, please have that person complete the following:

I, _____, do hereby certify that I am enrolled to practice before the Nevada Gaming Commission and am fully knowledgeable of my responsibilities under Regulation 10. I further certified that I have prepared this document on behalf of the applicant in conformity with the Nevada Gaming Control Act and the Regulation of the Nevada Gaming Commission.

(Representative's Name)

(Signature of Attorney, C.P.A. or Agent)

(Business Address)

(Telephone)

AFFIDAVIT OF FULL DISCLOSURE

STATE OF _____ }
COUNTY OF _____ } ss.

_____, being first duly sworn, deposes and says,
Applicant's Name

That, except as reflected on an application filed with the State Gaming Control Board, he/she is or will be the sole beneficial owner of any direct or indirect interest in or to a licensed gaming operation or any portion thereof for which he/she has made application to the State Gaming Control Board and Nevada Gaming Commission, to be licensed or found suitable to own;

That, except such as have been reported in writing to the State Gaming Control Board, he/she has no agreements or understandings with any other person and no present intent to hold as agent, nominee or otherwise any direct or indirect interest whatsoever in or to the licensed gaming operation or any portion thereof for which he/she seeks licensing or a finding of suitability by the Nevada Gaming Commission;

That, except such as have been reported in writing to the State Gaming Control Board, he/she has no agreements or understandings with any other person and no present intent to transfer at any future time any interest whatsoever in or to the licensed gaming operation or any portion thereof for which he/she seeks licensing or a finding of suitability by the Nevada Gaming Commission;

That, except such as have been reported in writing to the State Gaming Control Board, he/she has no agreements or understandings with any other person and no present intent to pay any sums of money or give anything of value as, including but without limitation, a finder's fee or commission to any person related to the acquisition or sale of any direct or indirect interest whatsoever in or to the licensed gaming operation or any portion thereof for which he/she seeks licensing or a finding of suitability by the Nevada Gaming Commission;

That any funds used or to be used, and any liabilities incurred or to be incurred by him/her in the acquisition of any direct or indirect interest in or to a licensed gaming operation or any portion thereof for which he/she seeks licensing or a finding of suitability by the Nevada Gaming Commission were not provided to him/her nor made available to him/her through the efforts of anyone not disclosed to the State Gaming Control Board;

That, except as reported in writing to the State Gaming Control Board, no other person has provided collateral for or guaranteed payment of any loans made to him/her related to his/her application for licensing or a finding of suitability by the Nevada Gaming Commission.

Applicant's Signature

Name and location of casino

SUBSCRIBED AND SWORN to before me this _____ day

of _____, _____.

Notary Public

RELEASE AND INDEMNITY OF ALL CLAIMS

Applicant, _____, has filed with the State Gaming Control

Name of Person or Entity

Board an "application," as that term is defined in NRS 463.0135. In consideration of the assurance by the Board that no vote on the aforementioned application will be taken except after an investigation of the Applicant, including but not limited to the Applicant's background, associates, and finances. Applicant does for itself, its heirs, executors, administrators, successors, assigns, agents, beneficiaries, and any other person or entity that has or may have an interest in the aforementioned application, hereby release, remise, and forever discharge the State of Nevada, the Nevada Gaming Commission, the State Gaming Control Board, the Nevada Attorney General, and each of their members, agents, contractors, and employees in their individual and representative capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which Applicant ever had, now has, may have, or claim to have against any or all of said entities or individuals arising out of or by reason of the processing or investigation of or other action relating to this application.

Furthermore, Applicant hereby agrees to indemnify, hold harmless and defend, not excluding the State's right to participate, the State of Nevada, the Nevada Gaming Commission, the State Gaming Control Board, the Nevada Attorney General, and each of their members, agents, contractors, and employees in their individual and representative capacities from any and all claims, suits, and actions, brought by anyone associated with this application, or by any third party, against the agencies or persons named in this paragraph, arising out of the submission, application, investigation, and deliberation concerning this application, and against any and all liabilities, expenses, damages, charges, and costs, including court costs and attorneys' fees, which may be sustained by the persons and agencies named in this paragraph as a result of said claims, suits, and actions.

Applicant has read this release and indemnity of all claims and understands all its terms. Applicant executes this document voluntarily and with full knowledge of its significance.

IN WITNESS WHEREOF, I have executed this release at _____,
City

_____, on the _____ day of _____, _____.
State

SUBSCRIBED AND SWORN to before me this _____ day

of _____, _____.

Notary Public

Applicant's Name or Duly Authorized Agent of Applicant

Notary Public in and for the

Title

County of _____

State of _____

Signature

REQUEST TO RELEASE INFORMATION

TO _____

(Do Not Write Above This Line – For Gaming Control Board Use Only)

FROM _____

Applicant's Name (Please Print)

NOTE: IF APPLICANT IS MARRIED, THE SPOUSE'S SIGNATURE IS REQUIRED BELOW.

1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning me/us to furnish such information to a duly appointed agent of the State Gaming Control Board of the State of Nevada, whether or not such information would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.
2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning me/us to permit a duly appointed agent of the State Gaming Control Board of the State of Nevada to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.
3. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of same, I/we hereby authorize and request that a duly appointed agent of the State Gaming Control Board of the State of Nevada be permitted to review and obtain copies of any and all documents, records, or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.
4. I/We do hereby make, constitute, and appoint any duly appointed agent of the State Gaming Control Board my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit:
 - (a) To request, review, copy, sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might;
 - (b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location on this request;
 - (c) To place the name of the Gaming Control Board agent presenting this request in the appropriate location on this request.
5. I/We grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.
6. This power of attorney ends two (2) years from the date of execution.
7. I the undersigned applicant have filed with the State Gaming Control Board an "application" as that term is defined in NRS 463.0135 of the Nevada Gaming Commission and State Gaming Control Board. I understand that I am seeking the granting of a privilege and acknowledge that the burden of proving my qualifications for a favorable determination is at all times on me. I accept any risk of adverse public notice, embarrassment, criticism, or other action or financial loss which may result from action with respect to this application.
8. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which I/we ever had, now have, may have, or claim to have against the person to whom this request is presented or his agents or employees arising out of or by reason of complying with this request.
9. I/We agree to indemnify and hold harmless the person to whom this request is presented and his agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request.
10. A reproduction of this request by the Xerox or similar process shall be for all intents and purposes as valid as the original.
11. This authorization extends to the review and copy of any information protected from disclosure, privilege or obligation.

IN WITNESS WHEREOF, I have executed this request at _____, _____
City State

on the _____ day of _____, _____

SIGNED AND SWORN to before me

Signature of Applicant

this _____ day of _____, _____

Notary Public

IN WITNESS WHEREOF, I have executed this request at _____, _____
City State

on the _____ day of _____, _____

SIGNED AND SWORN to before me

Signature of Spouse

this _____ day of _____, _____

Notary Public

Signature of State Gaming Control Board agent presenting this request:

Date

STATEMENT OF PRE-OPENING CASH

Application for Nonrestricted Gaming License
(Provide work papers and state assumptions)

Name of Gaming Location _____ Date _____

A. Funds Available Prior to Opening:

- | | | |
|--|----|--|
| 1. Investments (attach schedule - provide detail showing who invested the money and what interest in the firm they received for their investment)..... | \$ | |
| 2. Loans from lending institutions (attach schedule - identify the institution and show terms of the loan)..... | | |
| 3. Loans from individuals and business entities (attach schedule - identify the individual or business and show terms of the loan)..... | | |
| 4. Total Funds Available Prior to Opening..... | \$ | |

Note: Provide copies of ALL loan documents.

B. Expenditure or Other Disposition of Available Funds Prior to Opening:

- | | | |
|--|----|--|
| 1. Prepaid Gaming Taxes and Licenses: | | |
| (a) State - see fee schedule furnished..... | \$ | |
| (b) County - see county authorities for fee schedule..... | | |
| (c) City or Town - see local authorities for fee schedule..... | | |
| (d) Other Governmental Fees..... | | |
| (e) State Gaming Tax Security Bond..... | | |
| Total Prepaid Gaming Taxes and Licenses..... | | |
| 2. Other License Fees (Please provide detailed information)..... | | |
| State of Nevada GCB Investigative Fees..... | | |
| Total Licensing Fees..... | | |
| 3. Expenditures For: | | |
| (a) Land..... | | |
| (b) Buildings - include construction and repair..... | | |
| (c) Equipment..... | | |
| (d) Supplies..... | | |
| (e) Slot Machine Hopper Loads..... | | |
| (f) All Other Pre-Opening Expenditures (such as salaries, advertising, deposits, legal, accounting, etc.)..... | | |
| Total Other Expenditures..... | | |

Attach description for items B2 and B3(a) through (f).

- | | | |
|-------------------------------------|--|--|
| 4. Total Pre-Opening Cash Used..... | | |
|-------------------------------------|--|--|

- | | | |
|---|----|--|
| C. Funds Available for Operation (A4 minus B4)..... | \$ | |
|---|----|--|

| D. Immediate Exposure and Six-Month Exposure | <u>Immediate Exposure</u> | <u>Six-Month Exposure</u> |
|---|-------------------------------|-------------------------------|
| (1) Beginning Cash | | |
| (a) Funds in Financial Institutions..... | \$ _____ | |
| (b) Cash on Premises..... | _____ | |
| (c) Other..... | _____ | |
| (d) Funds Available for Operation..... | \$ _____ | \$ _____ |
| (e) Less Bankroll Requirement (Reg 6.150) <i>{Note 1}</i> | _____ | _____ |
| Net Available Funds..... | \$ _____ | \$ _____ |
| (f) Gross Margin (Six Months)..... | _____ | _____ |
| Funds Available..... | \$ _____ | \$ _____ |
| (2) Cash Requirements/Operating Expenses (Six Months) | | |
| [Do NOT include items listed in statement of pre-opening cash {NOTE 2}] | | |
| (a) Departmental Expenses..... | | \$ _____ |
| (b) General and Administrative Expenses..... | | _____ |
| (c) Debt Principal Amount..... | | _____ |
| (d) Other..... | | _____ |
| Subtotal Cash Requirements/Operating Expenses (Six Months)..... | | \$ _____ |
| Less Non-Cash Expenses (Depreciation, Amortization, etc.)..... | | _____ |
| Total Cash Requirement..... | | _____ |
| (3) Cash Excess / (Deficiency)..... | \$ _____ | \$ _____ |

Note 1:

| | <u>Immediate Exposure</u> | <u>Six-Month Exposure*</u> |
|---|-------------------------------|--------------------------------|
| Gross Gaming Revenue Projection <i>{Note A}</i> | \$ _____ | \$ _____ |
| Game & Machine Requirements <i>{Note B}</i> | _____ | _____ |
| Variable Amounts Requirements <i>{Note C}</i> | _____ | _____ |
| Total Bankroll..... | \$ _____ | \$ _____ |

* Calculated based on the anticipated game & slot machine mix at the end of the first six months.

Note 2:

For Example: Do **NOT** include gaming taxes, payroll expenses, or other pre-opening expenses already accounted for in the statement of pre-opening cash.

Note A:

One Percent of First Year Projected Gross Gaming Revenue:..... \$ _____
\$ _____ X 1.00%

Note B:

Game & Machine Requirements:

Slot Requirement (Immediate)

| Denomination | # of Machines | Per Machine Requirement | Requirement |
|---------------------|------------------|----------------------------|-------------|
| \$.01-\$.50 & multi | | | |
| \$1.00 | | | |
| > \$1.00 | | | |
| Slot Rt. Ops Only | | | |

Total Slot Requirement.....\$ _____

Slot Requirement (Six-Month)

| Denomination | # of Machines | Per Machine Requirement | Requirement |
|---------------------|------------------|----------------------------|-------------|
| \$.01-\$.50 & multi | | | |
| \$1.00 | | | |
| > \$1.00 | | | |
| Slot Rt. Ops Only | | | |

Total Slot Requirement.....\$ _____

Table Games Requirement (Immediate)

| Game | Tables | Requirement | Requirement |
|-----------------|--------|-------------|-------------|
| "21" & Roulette | | | |
| Craps | | | |
| Baccarat | | | |
| Other games | | | |

Total Table Games Requirement.....\$ _____

Table Games Requirement (Six-Month)

| Game | # of Tables | Per Table Requirement | Requirement |
|-----------------|----------------|--------------------------|-------------|
| "21" & Roulette | | | |
| Craps | | | |
| Baccarat | | | |
| Other games | | | |

Total Table Games Requirement.....\$ _____

| Other Gaming Areas (Immediate) | Game Offered? (Y/N) |
|-----------------------------------|---------------------------|
| Race book | _____ |
| Pari-mutuel Wagering | _____ |
| Sports pool | _____ |
| Keno | _____ |
| Bingo | _____ |

Total Other Gaming Area Requirement.....\$ _____

| <u>Other Gaming Areas (Six-Month)</u> | <u>Game Offered? (Y/N)</u> |
|---|------------------------------------|
| Race book | _____ |
| Pari-mutuel Wagering | _____ |
| Sports pool | _____ |
| Keno | _____ |
| Bingo | _____ |
| Total Other Gaming Area Requirement..... | \$ _____ |

Total Games and Machines Requirement (Immediate) \$ _____

Total Games and Machines Requirement (Six-Month) \$ _____

Note C:

Immediate Variable Amounts Requirements:

| | |
|--|-----------------|
| Highest slot payout | \$ _____ |
| Race and sports book progressive | _____ |
| Table and card games progressive | _____ |
| Other progressive | _____ |
| Contest / tournament payout liability | _____ |
| Miscellaneous promotions | _____ |
| Regulation 22.040 liability | _____ |
| Periodic payment liabilities | _____ |
| Immediate Total Variable Amounts Requirements | \$ _____ |

Six-Month Variable Amounts Requirements:

| | |
|--|-----------------|
| Highest slot payout | \$ _____ |
| Race and sports book progressive | _____ |
| Table and card games progressive | _____ |
| Other progressive | _____ |
| Contest / tournament payout liability | _____ |
| Miscellaneous promotions | _____ |
| Regulation 22.040 liability | _____ |
| Periodic payment liabilities | _____ |
| Six-Month Total Variable Amounts Requirements | \$ _____ |

FIRST YEAR CASH-FLOW PROJECTION
Application for Nonrestricted Gaming License

Name of Gaming Location: _____

Year Ended: _____

| | TOTALS | GAMING ² | ROOMS | FOOD | BEVERAGE | OTHER INCOME |
|--|--------|---------------------|--------|--------|----------|--------------|
| | Amount | Amount | Amount | Amount | Amount | Amount |
| 1 INCOME | | | | | | |
| 2 Total Sales | | | | | | |
| 3 Cost of Sales | | | | | | |
| 4 GROSS MARGIN | | | | | | |
| 5 DEPARTMENT EXPENSES | | | | | | |
| 6 Commissions ² | | | | | | |
| 7 Gaming Taxes and Licenses | | | | | | |
| 8 Payroll Taxes and Benefits | | | | | | |
| 9 Payroll - Officers and Owners | | | | | | |
| 10 Payroll - Other Employees | | | | | | |
| 11 Other Department Expenses | | | | | | |
| 12 Total Departmental Expenses | | | | | | |
| 13 DEPARTMENTAL INCOME | | | | | | |
| 14 GENERAL AND ADMINISTRATIVE | | | | | | |
| 15 EXPENSES | | | | | | |
| 16 Advertising and Promotion | | | | | | |
| 17 Complimentary Expenses ³ | | | | | | |
| 18 Depreciation and Amortization | | | | | | |
| 19 Other Taxes and Licenses | | | | | | |
| 20 Interest Expense | | | | | | |
| 21 Music and Entertainment Expense | | | | | | |
| 22 Rent of Premises | | | | | | |
| 23 Payroll Taxes and Benefits | | | | | | |
| 24 Payroll - Officers and Owners | | | | | | |
| 25 Payroll - Other Employees | | | | | | |
| 26 Other G and A Expenses | | | | | | |
| 27 Total G and A Expenses | | | | | | |
| 28 NET OPERATING INCOME | | | | | | |
| 29 Add Back Non-Cash Expenses ⁴ | | | | | | |
| 30 INCREASE IN CASH | | | | | | |
| 31 Add Beginning Cash | | | | | | |
| 32 CASH AVAILABLE | | | | | | |
| 33 Less Principal Payments ⁵ | | | | | | |
| 34 NET CASH | | | | | | |

- Record on this schedule the anticipated results of your operations for a full 12 months.
- On Schedule 1 attached, show monthly projection of gaming revenues. One hundred percent of projected gaming "win" is to be reported. This includes the share, if any, paid to or retained by slot operators. The operator's share is then recorded as "commissions" under DEPARTMENTAL EXPENSES.
- Complimentary rooms, food, beverage, or other, are to be recorded in the proper sales category at retail, then recorded as "complimentary expenses" under GENERAL AND ADMINISTRATIVE EXPENSES (line 15).
- Add back non-cash expenses (line 29) - this will be "depreciation and amortization expense" accounts. For the purpose of these projections assume all sales and expenses will be on a cash basis.
- List the TOTAL PRINCIPAL PAYMENT amount from SCHEDULE 2 attached.
- OMIT PENNIES - Amounts may be rounded to the nearest \$10, \$100, or \$1000, whichever is most convenient.

SCHEDULE 1

FIRST YEAR CASH-FLOW PROJECTION

(All months should be adjusted for seasonal variations)

| # Units | Games and Tables | | | | | | | | | | | | *Average Daily Win/Unit |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|-------------------------|
| | Gross Gaming Revenue | | | | | | | | | | | | |
| | 1 st Month | 2 nd Month | 3 rd Month | 4 th Month | 5 th Month | 6 th Month | 7 th Month | 8 th Month | 9 th Month | 10 th Month | 11 th Month | 12 th Month | Total |
| Description | | | | | | | | | | | | | |
| Craps | | | | | | | | | | | | | |
| Roulette | | | | | | | | | | | | | |
| Twenty-One | | | | | | | | | | | | | |
| Baccarat | | | | | | | | | | | | | |
| Big 6 | | | | | | | | | | | | | |
| Keno | | | | | | | | | | | | | |
| Race Book | | | | | | | | | | | | | |
| Sports Pool | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |

| # Units | Games Devices | | | | | | | | | | | | *Average Daily Win/Unit |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|-------------------------|
| | Gross Gaming Revenue | | | | | | | | | | | | |
| | 1 st Month | 2 nd Month | 3 rd Month | 4 th Month | 5 th Month | 6 th Month | 7 th Month | 8 th Month | 9 th Month | 10 th Month | 11 th Month | 12 th Month | Total |
| Description | | | | | | | | | | | | | |
| Penny | | | | | | | | | | | | | |
| Nickel | | | | | | | | | | | | | |
| Dime | | | | | | | | | | | | | |
| Quarter | | | | | | | | | | | | | |
| Dollar | | | | | | | | | | | | | |
| Multi-Denom | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| Grand Total | | | | | | | | | | | | | |

*12 Month Total ÷ 365 days ÷ number of units = average daily win/unit.

Other Revenue Areas

| | 1 st Month | 2 nd Month | 3 rd Month | 4 th Month | 5 th Month | 6 th Month | 7 th Month | 8 th Month | 9 th Month | 10 th Month | 11 th Month | 12 th Month | 12 Month Total |
|--------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|----------------|
| Room | | | | | | | | | | | | | |
| Food | | | | | | | | | | | | | |
| Beverage | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |

NOTE:
All shaded cells contain formulas and cross references and do not require input. All other cells should be completed.

First Year Cash Flow Projection

| Item | 1 st Month | 2 nd Month | 3 rd Month | 4 th Month | 5 th Month | 6 th Month | 7 th Month | 8 th Month | 9 th Month | 10 th Month | 11 th Month | 12 th Month | 12 Month Total |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|----------------|
| Income | | | | | | | | | | | | | |
| Total Sales | | | | | | | | | | | | | |
| Cost of Sales | | | | | | | | | | | | | |
| Gross Margin | | | | | | | | | | | | | |
| Department Expenses | | | | | | | | | | | | | |
| Commissions | | | | | | | | | | | | | |
| Gaming Taxes & Licenses | | | | | | | | | | | | | |
| Payroll Taxes & Benefits | | | | | | | | | | | | | |
| Payroll - Officers & Owners | | | | | | | | | | | | | |
| Payroll - Other Employees | | | | | | | | | | | | | |
| Other Department Expenses | | | | | | | | | | | | | |
| Total Departmental Expenses | | | | | | | | | | | | | |
| Departmental Income | | | | | | | | | | | | | |
| General and Administrative Expenses | | | | | | | | | | | | | |
| Advertising and Promotion | | | | | | | | | | | | | |
| Complimentary Expenses | | | | | | | | | | | | | |
| Depreciation & Amortization | | | | | | | | | | | | | |
| Other Taxes & Licenses | | | | | | | | | | | | | |
| Interest Expense | | | | | | | | | | | | | |
| Music & Entertainment Expense | | | | | | | | | | | | | |
| Rent of Premises | | | | | | | | | | | | | |
| Payroll Taxes & Benefits | | | | | | | | | | | | | |
| Payroll - Officers & Owners | | | | | | | | | | | | | |
| Payroll - Other Employees | | | | | | | | | | | | | |
| Other G & A Expenses | | | | | | | | | | | | | |
| Total G & A Expenses | | | | | | | | | | | | | |
| Net Operating Income | | | | | | | | | | | | | |
| Add Back Non-Cash Expenses | | | | | | | | | | | | | |
| Increase in Cash | | | | | | | | | | | | | |
| Add Beginning Cash | | | | | | | | | | | | | |
| Cash Available | | | | | | | | | | | | | |
| Less Principal Payments | | | | | | | | | | | | | |
| Net Cash | | | | | | | | | | | | | |

Additional Information for the Statement of Pre-Opening Cash

1. Provide an organizational chart showing ownership relationships of various business entities if applicable. List all officers, directors, shareholders, members, managers, or partners for each business entity.
2. Provide a copy of any proposed agreements (i.e., slot machine purchase contracts, lease agreements, or participation agreements) in final or draft form, signed or unsigned.
3. Provide a marketing plan for the location.
4. Provide a description of complimentary policies. Who, and what positions, can provide complimentaries?
5. Provide a description of credit extension policies and credit collection policies. Who, and what positions, can extend credit and to what amount?
6. Provide management organizational chart showing chain of command.
7. Provide the following:

Number of full and part-time employees.

List of key employees (i.e., casino manager, hotel manager, general manager).
Provide the following for each key employee:

- a) Social Security Number
- b) Date of Birth
- c) Last 15-year work history
- d) Arrest History
- e) Annual Salary

Provide a brief description of the key employee's duties and responsibilities, including but not limited to, ability to issue credit and grant comps, and to whom the individual reports.

8. Provide the following for the physical location.
 - a) Floor Plan (interior floor plan should indicate location of slot machines, by denomination, and table games).
 - b) Location diagram (exterior diagram should indicate relationship to major landmarks, i.e. highways, north, et cetera).
 - c) Overall square footage
 - d) Gaming square footage
 - e) Convention facilities square footage
 - f) Number of bars
 - g) Number of hotel rooms / room rates
 - h) Number of restaurants
 - i) Hours of operation
 - j) Other amenities

9. Provide the following information for progressive slot machines:

In-House Machines:
(Linked group machines)

| <u>Denomination</u> | <u>Number of Machines</u> | <u>Reset or Beginning Meter</u> |
|---------------------|---------------------------|---------------------------------|
|---------------------|---------------------------|---------------------------------|

In-House Machines:
(Stand alone single progressive machines)

| <u>Denomination</u> | <u>Number of Machines</u> | <u>Reset or Beginning Meter</u> |
|---------------------|---------------------------|---------------------------------|
|---------------------|---------------------------|---------------------------------|

Wide Area Progressives:

Include information pertaining to wide area progressives, i.e. Megabucks, Nevada Nickels, et cetera, operated by IGT.

| <u>Denomination</u> | <u>Number of Machines</u> | <u>Reset or Beginning Meter</u> |
|---------------------|---------------------------|---------------------------------|
|---------------------|---------------------------|---------------------------------|

10. For race books and sports pools, complete the race book/sports pool questionnaire.
11. For table games, indicate if 21 tables will utilize four deck shoe, double deck, single hand held deck, et cetera.
12. Provide a copy of art work for chips/tokens submitted to the Enforcement Division.
(Refer to NGC Regulation 12).
13. Provide copy of surveillance system plan submitted to the Enforcement Division
(Refer to NGC Regulation 5).
14. Provide the Internal Control System to the Audit Division for Group I licensees and the Tax and License Division for Group II licensees.
15. Provide documentation for filing of all city/county business, liquor, and gaming licenses.
16. Provide supporting documents and schedules for the statement of pre-opening cash and first year cash flow projections. Provide a contact person for questions.
17. Provide the name of the independent accounting firm used and a contact person from that firm.

Look-up Tables

Slot Requirement Look-up Table

| GGR: | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | Group I's <\$12 million | SROs, Group II's & Restricted |
|-------------------------|----------------|------------------|-----------------|-----------------|-------------------------|-------------------------------|
| .01 - .50 & multi-denom | \$ 1,000 | \$ 800 | \$ 500 | \$ 500 | \$ 350 | \$ 250 |
| \$1 slots | \$ 1,800 | \$ 1,500 | \$ 1,000 | \$ 750 | \$ 500 | |
| Denoms > \$1 | \$ 5,000 | \$ 4,000 | \$ 3,000 | \$ 2,000 | \$ 1,000 | |

Table Games Requirement Look-up Table

| GGR: | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | Group I's <\$12 million | Group II's |
|-------------------|----------------|------------------|-----------------|-----------------|-------------------------|------------|
| "21" and Roulette | \$ 30,000 | \$ 15,000 | \$ 10,000 | \$ 5,000 | \$ 3,000 | \$ 2,000 |
| Craps | \$ 60,000 | \$ 30,000 | \$ 20,000 | \$ 15,000 | \$ 5,000 | |
| Baccarat | \$ 100,000 | \$ 50,000 | \$ 30,000 | \$ 20,000 | \$ 10,000 | |
| Other | \$ 10,000 | \$ 8,000 | \$ 5,000 | \$ 4,000 | \$ 2,000 | |

Race and Sports book Requirement Look-up Table

| GGR: | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | Group I's <\$12 million | Group II's |
|-------------|----------------|------------------|-----------------|-----------------|-------------------------|------------|
| Race book | \$ 2,500 | \$ 2,000 | \$ 1,600 | \$ 800 | \$ 500 | \$ 500 |
| Pari-mutuel | \$ 30,000 | \$ 22,500 | \$ 15,000 | \$ 7,000 | \$ 4,000 | \$ 4,000 |
| Sports pool | \$ 25,000 | \$ 20,000 | \$ 15,000 | \$ 10,000 | \$ 7,500 | \$ 7,500 |

Miscellaneous Promotions

| GGR: | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | Group I's <\$12 million | Group II's & Restricted |
|---------------------|----------------|------------------|-----------------|-----------------|-------------------------|-------------------------|
| Large promo payouts | \$ 500,000 | \$ 350,000 | \$ 200,000 | \$ 100,000 | \$ 50,000 | \$ 25,000 |